



**PBT Group Limited**  
(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements  
for the year ended 31 March 2018

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## General Information

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Financial and information management services
<b>Directors</b>	AJ Taylor (Chairman) PJ De Wet (Chief executive officer) AM Louw (Financial director) CL Dyers (Independent non-executive) HC Steyn (Non-executive) AL Winker (Independent non-executive)
<b>Registered office</b>	PBT House 2 Mews Close Waterford Mews Century City 7741
<b>Postal address</b>	PO Box 276 Century City 7446
<b>Audit and Risk Committee</b>	AL Winkler (Chairman) CL Dyers AJ Taylor
<b>Remuneration and Nomination Committee</b>	CL Dyers (Chairman) HC Steyn AJ Taylor AL Winkler
<b>Social and Ethics Committee</b>	E Read (Chairman) CL Dyers AJ Taylor
<b>Auditors</b>	BDO Cape Inc. Chartered Accountants (S.A.) Registered Auditor
<b>Secretary</b>	Bianca Pieters
<b>Company registration number</b>	1936/008278/06
<b>Sponsors</b>	Bridge Capital Advisors Proprietary Limited
<b>Transfer secretaries</b>	Link Market Services South Africa Proprietary Limited
<b>Level of assurance</b>	These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Preparer</b>	The consolidated annual financial statements were internally compiled by: Bianca Pieters CA(SA) Corporate Governance Manager
<b>Issued</b>	30 July 2018

# **PBT Group Limited**

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## **Contents**

---

	<b>Page</b>
Audit and Risk Committee Report	3 - 4
Directors' Responsibilities and Approval	5
Group Secretary Report	6
Independent Auditor's Report	7 - 10
Shareholder profile	11
Directors' Report	12 - 14
Statement of Financial Position	15
Statement of Profit or Loss and Other Comprehensive Income	16 - 17
Statement of Changes in Equity	18 - 19
Statement of Cash Flows	20
Accounting Policies	21 - 31
Notes to the Consolidated Annual Financial Statements	32 - 60

### **Published**

30 July 2018

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Audit and Risk Committee Report

---

This report is provided by the audit and risk committee appointed in respect of the 2018 financial year of PBT Group Limited.

### 1. Members of the Committee

The members of the audit and risk committee are all independent non-executive directors of the group and include:

**Name**

AL Winkler Chairman

CL Dyers

AJ Taylor

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011.

The composition of the committee is consistent with King IV and the Companies Act for consisting of three Independent Non-Executive Directors.

In terms of the requirements of the Companies Act, individual members of the committee are elected by the shareholders at the Annual General Meeting.

### 2. Meetings and Functions of the Committee

The audit and risk committee performs the duties laid upon it by Section 94(7) of the Companies Act of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

The committee meets at least three times a year and specifically oversees 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 process.
- Recommendation of financial statements for approval by the board of directors.
- 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 process.
- Assessment of the skills, expertise and capability of the finance function.

The role of the committee is to assist the board of directors in fulfilling its responsibility regarding 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 Committee must perform an annual evaluation of the finance function of the Group. During the current year, the Committee is satisfied that the Financial Director and the finance function possessed the appropriate expertise and experience to meet their responsibilities.

Committee meetings are also attended by Senior Executives to provide insight into items under review.

A list of the meetings attended for the financial year is detailed below:

Director	Meeting 1: 28 June 2017	Meeting 2: 15 November 2017	Meeting 3: 13 March 2018	Eligible for meetings
CL Dyers	Attended	Attended	Attended	Yes
AJ Taylor	Attended	Attended	Attended	Yes
AL Winkler	Attended	Attended	Attended	Yes

## **PBT Group Limited**

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

### **Audit and Risk Committee Report**

---

#### **3. External auditor**

The audit and risk committee has nominated BDO Cape Inc. as the independent auditor and Imtiaaz Hashim as the designated partner, who is a registered independent auditor, for appointment of the 2018 audit.

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession.

The audit and risk committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The audit and risk committee has considered and pre-approved all non-audit services provided by the external auditors and the fees relative there to so as to ensure the independence of the external auditors are maintained.

#### **4. Consolidated Annual Financial Statements**

Following the review of the Consolidated Annual Financial Statements the audit committee recommend board approval thereof.



---

**AL Winkler**  
**Chairman: Audit and Risk Committee**

**Cape Town**

**30 July 2018**

## PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

### Directors' Responsibilities and Approval

---

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards, the SAICA financial reporting guides issued by the Accounting Practices Committee, the requirements of the Companies Act, as amended, and the Listings Requirements of the JSE Ltd. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards, the SAICA financial reporting guides issued by the Accounting Practices Committee, the requirements of the Companies Act, as amended, and the Listings Requirements of the JSE Ltd and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

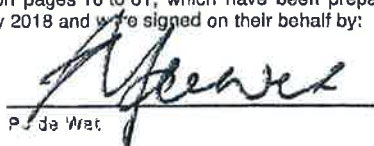
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow for the next 12 months from report signing date and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on pages 10 -12.

The consolidated annual financial statements set out on pages 16 to 61, which have been prepared on the going concern basis, were approved by the board of directors on 30 July 2018 and were signed on their behalf by:

  
AJ Taylor

  
P. de Waal

Cape Town  
30 July 2018

## **PBT Group Limited**

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

### **Group Secretary Report**

---


#### **Directors' interest in contracts**

During the period under review, no director had any material interest in any contract of significance with PBT Group Limited, or any of its subsidiaries that would give rise to a conflict of interest in the ordinary course of business other than those disclosed in the related party notes. Related party transactions with the directors are disclosed in notes 11 and 27 of the financial statements.

#### **Group secretary's certification**

In terms of section 88(2)(e) of the Companies Act, as amended, I certify that the Group has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

All directors have access to the advice and services of the company secretary who provides guidance to the Board as a whole and to individual directors with regard to corporate governance and how they should discharge their responsibilities in the best interests of the Group and Company.



**B Pieters**  
Group secretary

**30 July 2018**  
**Cape Town**



Dx 158 Cape Town  
Tel: +27 21 417 8800  
Fax: +27 21 417 8700  
www.bdo.co.za

Chartered Accountants (SA)  
6<sup>th</sup> Floor, BDO House  
123 Hertzog Boulevard, Foreshore  
Cape Town, 8001

PO Box 2275, Cape Town, 8000

## Independent Auditor's Report

To the shareholders of

### PBT Group Limited

---

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statement of PBT Group Limited (the group) set out on pages 15 to 60, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 March 2018, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Parts A and B)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Audit Responses
<b>Valuation of Goodwill ( Note 1.4 &amp; 4)</b>	
Under International Financial Reporting Standard (IFRS), the Group is required to annually test goodwill for impairment. We have determined this is a key audit matter due to the judgement required by board in preparing a 'value-in-use' model to satisfy the impairment test. Forecasting future cash flows and applying an	Our audit procedures focused on evaluating and challenging the key assumptions used by the board in conducting the impairment review. These procedures included; amongst others: <ul style="list-style-type: none"><li>Reviewing the model used for compliance with ISA 36 Impairment of Assets</li></ul>

BDO Cape Incorporated  
Registration number: 2010/016204/21  
Practice number: 970879  
VAT number: 4950256596

Directors: I.M. Scott (Managing Director) • K.M. Bowman • J.G. Glass • I. Hashim • D. Honeyball (PE) • H.C. Kilian (PE) • B.J. Lodewyk • H.J. Salmon • M.S. Willimott (PE) • M. Hanekom (PE) • J.M. Nield • B. Jackson • S.F. Cillié • F. Mohamed • N.I. Strybis • Y.J. Weaver-Sasman • B. van der Walt • M. Fourie • F. Rhoda • D. Forbes

BDO Cape Incorporated, a South African personal liability company, is an affiliated company of BDO South Africa Incorporated, a South African company, which in turn is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



<p>appropriate discount rate, inherently involves a high degree of estimation and judgement by the board.</p>	<ul style="list-style-type: none"> <li>• Verifying the mathematical accuracy and methodology appropriateness of the underlying model calculations</li> <li>• Involvement of our internal valuation specialist to assess the reasonability of the inputs by comparing the key growth rate assumptions to historical results, economic and industry forecasts, and assessing the discount rate by reference to the cost of capital of the Group</li> <li>• Performing sensitivity analysis to assess the effect of reasonably possibly changes into assess the effect of reasonably possible changes in key assumptions. .</li> </ul> <p>Assessing and validating that the disclosures made in the financial statements were in accordance with IFRS (IAS36 Impairment of Assets) statements.</p>
<p><b>Classification of Non-Current Assets Held for sale (Note 11)</b></p>	
<p>The directors have offered for sale the Group's interest in Prescient Capital and its subsidiaries excluding Stadia International and Progressclaim. Management has therefore assessed that the planned sale of Prescient Capital should be presented as a disposal group and as a discontinued operation in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations.</p> <p>This is a key audit matter because it is a significant transaction to the group and as a result of the extent of audit effort applied in assessing the appropriate application of the sale of assets and liabilities in accordance with IFRS 5.</p>	<p>We have evaluated whether management had appropriately applied the requirements of IFRS 5 by performing the following audit procedures amongst others performing the following audit procedures amongst others:</p> <ul style="list-style-type: none"> <li>• Examining written correspondence between the Group and the potential purchaser to determine whether the assets and liabilities should be classified as held for sale and whether it represents a discontinued operation</li> <li>• Assessing whether the transaction meets the criteria for separate presentation of assets and liabilities classified as held for sale.</li> <li>• Assessing whether Prescient Capital represents a separate major line of business or geographical area of operations resulting in a preparation of a discontinued operation</li> <li>• Assessing whether the assets and liabilities are measured at the lower of the fair value less cost to sell or their carrying amounts by obtaining external valuations for the fair values and assessed it for reasonability</li> <li>• Ensuring the assets and liabilities reflected as held for sale and the results presented as discontinued operations fairly present the financial position and results of the Prescient Capital Group.</li> <li>• Ensured the presentation and disclosure of the assets and liabilities head for sale is in compliance with IFRS 5- Non-current assets held for sale.</li> </ul>



#### Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the consolidated

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO Cape Inc. has been the auditor of PBT Group Limited for 1 year.

A handwritten signature in blue ink that reads 'BDO Cape Inc.' followed by a horizontal line.

BDO CAPE INC.  
Registered Auditors  
Practice number: 970879-0000

Imtiaaz Hashim  
Director  
Registered Auditor  
Chartered Accountant (SA)

30 July 2018

6<sup>th</sup> Floor, BDO House,  
123 Hertzog Boulevard, Foreshore  
Cape Town

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Shareholder profile

### 1. Shareholder profile

During the 2018 financial year, no new shares were issued. Total issued shares are 1 669 250 950. Included in the total shares in issue are 270 188 033 treasury shares.

#### Distribution of shareholders

Number of shares held	Number of shareholders	Percentage	Numbers of shares	Percentage
1 - 10,000	1 062	64.64 %	2 201 755	0.13 %
10,001 - 100,000	355	21.61 %	11 850 858	0.71 %
100,001 - 1,000,000	127	7.73 %	46 018 818	2.76 %
1,000,001 - 10,000,000	77	4.69 %	234 798 227	14.07 %
Greater than 10,000,001	22	1.33 %	1 374 381 292	82.33 %
	<b>1 643</b>	<b>100.00 %</b>	<b>1 669 250 950</b>	<b>100.00 %</b>

Individuals	1 438	87.52 %	286 077 782	17.14 %
Nominees and trusts	85	5.17 %	67 125 309	4.02 %
Close corporations	14	0.85 %	287 133 744	17.20 %
Other corporate bodies	73	4.44 %	701 126 963	42.00 %
Banks	4	0.24 %	167 000 509	10.00 %
Insurance companies	3	0.18 %	230 842	0.01 %
Pension funds and medical aid schemes	6	0.37 %	68 067 851	4.08 %
Collective investment schemes and mutual funds	20	1.23 %	92 487 950	5.55 %
<b>TOTALS</b>	<b>1 643</b>	<b>100.00 %</b>	<b>1 669 250 950</b>	<b>100.00 %</b>

#### Public and non-public shareholders

	Number of shareholders	Numbers of shares	Percentage of total issued shares
Shareholders holding greater than 10%	3	750 682 704	44.97 %
Directors	5	227 157 104	13.61 %
Public shareholders	1 635	691 411 142	41.42 %
	<b>1 643</b>	<b>1 669 250 950</b>	<b>100.00</b>

#### 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 2018 are as follows:

	Ordinary shares	Percentage of total issued share capital
Nimeemmi CC	283 814 784	16 %
PBT Group Limited	270 188 033	16 %
FISC Investment Management	196 679 887	12 %
Clearstream Banking SA Luxembourg	167 000 000	10 %
Seena Marina Financial Services Proprietary Limited	99 201 824	6 %

#### Directors' holdings

The directors' holdings at 31 March 2018 were as follows:

	Direct number of shares	Percentage	Indirect number of shares	Percentage
Murray Louw	-	- %	3 676 113	0.22 %
Herman Steyn	1 701 321	0.10 %	205 704 925	12.32 %
Cheree Dyers	4 784 265	0.29 %	10 325 683	0.62 %
Tony Taylor	964 797	0.06 %	-	- %

The directors' holdings at 31 March 2017 were as follows:

	Direct number of shares	Percentage	Indirect number of shares	Percentage
Murray Louw	1 289 237	0.08 %	2 972 113	0.18 %
Herman Steyn	1 701 321	0.10 %	205 704 925	12.32 %
Cheree Dyers	4 784 265	0.29 %	10 325 683	0.62 %
Tony Taylor	964 797	0.06 %	-	- %

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Directors' Report

---

The directors have pleasure in submitting their report on the consolidated annual financial statements of PBT Group Limited for the year ended 31 March 2018.

### 1. Nature of business

PBT Group Limited is an information management services group that enables companies to use business intelligence solutions to optimise the exploitation of one of its biggest assets - data - to its broad client base.

There have been no material changes to the nature of the group's business from the prior year, except for the discontinued operation as disclosed in note 11.

### 2. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards, the requirements of the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA financial reporting guides issued by the Accounting Practices Committee and the Listing Requirements of the JSE Limited. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated annual financial statements.

Refer to note 36 - Segment information for a detailed breakdown of the proportion of net income or loss attributable to the various divisions of the group.

### 3. Authorised and issued share capital

Refer to note 12 of the consolidated annual financial statements for detail of the movement in authorised and issued share capital and shares repurchased.

### 4. Dividends

No dividends were declared to the shareholders for the year under review, but a dividend of 2.25 cents per share was issued in the prior year.

A capital distribution of 1.57 cents per share was made on the 28th August 2017. (2017: 85.54 cents per share, paid on 28th October 2016.)

### 5. Directors

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
AJ Taylor	Chairman	Non-executive Independent	
PJ De Wet	Chief Executive Officer	Executive	
AM Louw	Financial Director	Executive	
CL Dyers		Non-executive Independent	
HC Steyn		Non-executive	
AL Winker		Non-executive Independent	Appointed 17 May 2017

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Directors' Report

---

### 6. Directors' interests in shares

As at 31 March 2018, the directors of the group held direct and indirect beneficial interests in 13% (2017: 13%) of its issued ordinary shares, as set out below. No director holds 1% or more of the ordinary shares of the group.

#### Interests in shares

Directors	2018 Direct	2017 Direct	2018 Indirect	2017 Indirect
AJ Taylor	964 797	964 797	-	-
AM Louw	-	1 289 237	3 676 113	2 972 113
CL Dyers	4 784 265	4 784 265	10 325 683	10 325 683
HC Steyn	1 701 321	1 701 321	205 704 925	205 724 925
	<b>7 450 383</b>	<b>8 739 620</b>	<b>219 706 721</b>	<b>219 022 721</b>

The register of interests of directors and others in shares of the group is available to the shareholders on request.

### 7. Secretary

The group secretary is Mrs Bianca Pieters.

Business address:

PBT House  
2 Mews Close  
Waterford Mews  
Century City  
7441

### 8. Company secretary

As required by JSE Listings Requirement 3.84(i), the Board has satisfied itself that the company secretary has the appropriate expertise, competence and experience. The company secretary is accountable to the Board and the following duties, among other things, were carried out:

- guidance to the directors in terms of their duties, responsibilities, powers, training and induction of the responsibilities and liabilities under the Companies Act;
- making the Board aware of any law relevant to and/or affecting the Company;
- preparation of Board packs and recording of proper detailed minutes of meetings;
- ensuring proper and orderly conduct at all Board, committee and annual general meetings;
- disclosure of corporate actions of SENS announcements and directors' dealings in securities; and
- compliance with JSE Listings Requirements and the Companies Act.

All directors have access to the advice and services of the company secretary. The Board considered the competence, qualifications and experience of the company secretary and is satisfied that they are appropriate. This was concluded after due assessment following a review by the remuneration committee of the Company regarding the interim company secretary's qualifications, experience and performance.

### 9. Special resolutions

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the Company. The only special resolutions passed at the annual general meeting on 23 February 2017 are as follows:

- remuneration for executive and non-executive directors;
- inter-company financial assistance; and
- the Company or its subsidiaries to repurchase Company shares.

### 10. Auditors

BDO Cape Inc. was appointed as auditors for the group for 2018.

At the AGM, the shareholder will be requested to reappoint BDO Cape Inc. as the independent external auditors of the company and to confirm Mr I Hashim as the designated lead audit partner for the 2019 financial year.

# **PBT Group Limited**

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## **Directors' Report**

---

### **11. Report of the Audit and Risk Committee**

The report of the audit and risk committee, as required in section 94(7)(f) of the Companies Act, is set out on pages 4 to 5 of these financial statements.

### **12. Board evaluation of the Audit and Risk Committee**

The Board of directors believes that the committee has satisfied its responsibilities for the year in compliance with the terms of reference of the Companies Act.

### **13. Going concern**

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

### **14. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### **15. Liquidity and solvency**

The directors have performed the liquidity and solvency tests required by the Companies Act, as amended, for the Group. The Board is satisfied that the Group is solvent and has no reason to believe that the business will not be a going concern in the year ahead.

### **16. Date of authorisation for issue of financial statements by the directors**

The consolidated annual financial statements have been authorised by the directors for issue on 30 July 2018. No authority was given to anyone to amend the annual financial statements after the date of issue.

### **17. Discontinued operations**

The group has entered into a memorandum of agreement ("the MoA") with an acquiring consortium ("AQC"), in relation to the disposal by the PBT Group of Prescient Capital Proprietary Limited and its subsidiaries ("Prescient Capital"), where the AQC will purchase Prescient Capital from the PBT Group by offering the PBT Group shares owned by the AQC to the PBT Group. In addition, the AQC will purchase the Prescient Holdings shares owned by the PBT Group from the PBT Group by offering the PBT Group shares owned by the AQC to the PBT Group.

The effective date of the Proposed Transaction is dependant on the shareholder approval date. A finalisation announcement will be released on SENS when the Proposed Transaction becomes unconditional.

Refer to note 11 for further details on the transaction.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Statement of Financial Position as at 31 March 2018

Figures in Rand thousand	Notes	2018	2017 Restated
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	6 031	7 792
Goodwill	4	135 666	253 927
Intangible assets	5	675	9 567
Other financial assets	6	25 786	34 330
Deferred tax	7	2 139	7 352
		<b>170 297</b>	<b>312 968</b>
<b>Current Assets</b>			
Inventories	8	-	19 787
Trade and other receivables	9	91 269	224 214
Other financial assets	6	3 206	-
Current tax receivable		1 817	-
Cash and cash equivalents	10	34 202	38 171
		<b>130 494</b>	<b>282 172</b>
Non-current assets held for sale and assets of disposal groups	11	57 121	82 234
<b>Total Assets</b>		<b>357 912</b>	<b>677 374</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<b>Equity Attributable to Equity Holders of Parent</b>			
Share capital	12	117 805	144 015
Reserves		(39 537)	5 400
Retained earnings		221 402	410 765
		299 670	560 180
Non-controlling interest		6 916	12 434
		<b>306 586</b>	<b>572 614</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred tax	7	184	5 920
<b>Current Liabilities</b>			
Trade and other payables	13	35 853	29 368
Other financial liabilities	14	-	35 000
Current tax payable		1 774	7 669
Provisions	15	6 791	9 421
Bank overdraft	10	152	8 081
		<b>44 570</b>	<b>89 539</b>
Liabilities of disposal groups	11	6 572	9 301
<b>Total Liabilities</b>		<b>51 326</b>	<b>104 760</b>
<b>Total Equity and Liabilities</b>		<b>357 912</b>	<b>677 374</b>



# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand thousand	Notes	2018	2017 Restated
<b>Continuing operations</b>			
Revenue	16	556 094	563 766
Cost of sales	17	(457 972)	(447 985)
<b>Gross profit</b>		<b>98 122</b>	<b>115 781</b>
Other income	18	2 756	1 311
Other operating income	19	111	18 872
Loss on exchange differences		(4 409)	(294)
Impairment loss		(127 041)	(34 074)
Operating expenses		(87 682)	(116 744)
<b>Operating (loss) profit</b>	20	<b>(118 143)</b>	<b>(15 148)</b>
Investment income	21	6 035	13 239
Finance costs	22	(5 191)	(5 869)
Other non-operating gains (losses)		(53)	-
<b>(Loss) profit before taxation</b>		<b>(117 352)</b>	<b>(7 778)</b>
Taxation	23	(22 018)	(25 318)
<b>(Loss) profit from continuing operations</b>		<b>(139 370)</b>	<b>(33 096)</b>
<b>Discontinued operations</b>			
(Loss) profit from discontinued operations		(42 281)	1 252 626
<b>(Loss) profit for the year</b>		<b>(181 651)</b>	<b>1 219 530</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		193	(8 183)
<b>Other comprehensive income for the year net of taxation</b>		<b>193</b>	<b>(8 183)</b>
<b>Total comprehensive (loss) income for the year</b>		<b>(181 458)</b>	<b>1 211 347</b>
<b>(Loss) profit attributable to:</b>			
<b>Owners of the parent:</b>			
From continuing operations		(145 836)	(39 351)
From discontinued operations		(42 281)	1 256 521
		<b>(188 117)</b>	<b>1 217 170</b>
<b>Non-controlling interest:</b>			
From continuing operations		6 466	6 255
From discontinued operations		-	(3 895)
		<b>6 466</b>	<b>2 360</b>
<b>Total comprehensive (loss) income attributable to:</b>			
Owners of the parent		(187 924)	1 208 987
Non-controlling interest		6 466	2 360
		<b>(181 458)</b>	<b>1 211 347</b>

## **PBT Group Limited**

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

### **Earnings per share**

Continued operations	(9.73)	(2.75)
Discontinued operations	(2.82)	76.71

### **Diluted earnings per share**

Continued operations	(9.73)	(2.75)
Discontinued operations	(2.82)	76.71

Refer to Note 35 for the detailed workings of earnings per share and diluted earnings per share.

## PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

### Statement of Changes in Equity

Figures in Rand thousand	Share capital	Foreign currency translation reserve	Treasury shares	Share-based payment reserve	Total reserves	Retained earnings	Total attributable to equity holders of the group	Non-controlling interest	Total equity
<b>Restated* Balance at 01 April 2016</b>	<b>667 660</b>	<b>20 899</b>	<b>(7 316)</b>	<b>2 743</b>	<b>16 326</b>	<b>152 451</b>	<b>836 437</b>	<b>24 064</b>	<b>860 501</b>
Profit for the year	-	-	-	-	-	1 217 170	1 217 170	2 360	1 219 530
Other comprehensive income	-	(8 183)	-	-	(8 183)	-	(8 183)	-	(8 183)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(8 183)</b>	<b>-</b>	<b>-</b>	<b>(8 183)</b>	<b>1 217 170</b>	<b>1 208 987</b>	<b>2 360</b>	<b>1 211 347</b>
Treasury shares sold	-	-	-	-	-	11 166	11 166	-	11 166
Equity-settled share based payments	-	-	-	1 680	1 680	-	1 680	-	1 680
Capital distribution	(469 853)	-	-	-	-	(911 967)	(1 381 820)	-	(1 381 820)
Adjustment to reflect the PBT Group Limited share capital after the disposal of Precient Holdings Proprietary Limited	(53 792)	-	-	-	-	-	(53 792)	-	(53 792)
Termination of forfeitable share plan	-	-	-	(4 423)	(4 423)	3 142	(1 281)	-	(1 281)
Dividends	-	-	-	-	-	(73 832)	(73 832)	(3 304)	(77 136)
Acquisitions of non-controlling interests	-	-	-	-	-	12 635	12 635	(12 470)	165
Disposal of subsidiary	-	-	-	-	-	-	-	1 784	1 784
<b>Total contributions by and distributions to owners of group recognised directly in equity</b>	<b>(523 645)</b>	<b>-</b>	<b>-</b>	<b>(2 743)</b>	<b>(2 743)</b>	<b>(958 856)</b>	<b>(1 485 244)</b>	<b>(13 990)</b>	<b>(1 499 234)</b>

## PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

### Statement of Changes in Equity

Figures in Rand thousand	Share capital	Foreign currency translation reserve	Treasury shares	Share-based payment reserve	Total reserves	Retained earnings	Total attributable to equity holders of the group	Non-controlling interest	Total equity
<b>Balance at 01 April 2017</b>	<b>144 015</b>	<b>12 716</b>	<b>(7 316)</b>	-	<b>5 400</b>	<b>409 519</b>	<b>558 934</b>	<b>12 434</b>	<b>571 368</b>
Loss for the year	-	-	-	-	-	(188 117)	(188 117)	6 466	(181 651)
Other comprehensive income	-	193	-	-	193	-	193	-	193
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>193</b>	<b>-</b>	<b>-</b>	<b>193</b>	<b>(188 117)</b>	<b>(187 924)</b>	<b>6 466</b>	<b>(181 458)</b>
Capital distribution	(26 210)	-	-	-	-	-	(26 210)	-	(26 210)
Purchase of own treasury shares	-	-	(45 130)	-	(45 130)	-	(45 130)	-	(45 130)
Loss of control	-	-	-	-	-	-	-	(2 913)	(2 913)
Dividends	-	-	-	-	-	-	-	(9 065)	(9 065)
Changes in ownership	-	-	-	-	-	-	-	(6)	(6)
<b>Total contributions by and distributions to owners of group recognised directly in equity</b>	<b>(26 210)</b>	<b>-</b>	<b>(45 130)</b>	<b>-</b>	<b>(45 130)</b>	<b>-</b>	<b>(71 340)</b>	<b>(11 984)</b>	<b>(83 324)</b>
<b>Balance at 31 March 2018</b>	<b>117 805</b>	<b>12 909</b>	<b>(52 446)</b>	<b>-</b>	<b>(39 537)</b>	<b>221 402</b>	<b>299 670</b>	<b>6 916</b>	<b>306 586</b>

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Statement of Cash Flows

Figures in Rand thousand	Notes	2018	2017 Restated
<b>Cash flows from operating activities</b>			
Cash generated from operations	26	100 372	208 984
Interest income		4 167	5 155
Dividend income		1 868	8 084
Finance costs		(5 191)	(5 869)
Tax paid		(30 059)	(19 904)
Dividends paid		-	(69 275)
<b>Net cash from operating activities</b>		<b>71 157</b>	<b>127 175</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(2 017)	(2 698)
Sale of property, plant and equipment	3	340	60
Purchase of other intangible assets	5	(273)	(1 244)
Purchase of financial assets		(1 941)	(53 104)
Sale of financial assets		5 970	-
Sale of other asset		-	429 186
Proceeds on disposal of discontinued operations		-	1 317 935
<b>Net cash from investing activities</b>		<b>2 079</b>	<b>1 690 135</b>
<b>Cash flows from financing activities</b>			
Reduction of share capital or buy back of shares	12	(26 210)	(534 809)
Repayment of other financial liabilities		(35 000)	-
Movement in loans to directors, managers and employees		-	53 830
Proceeds from loans/borrowings		-	32 899
Capital distribution		-	(1 427 822)
Acquisition of shares		(8 053)	(145)
<b>Net cash from financing activities</b>		<b>(69 263)</b>	<b>(1 876 047)</b>
<b>Total cash movement for the year</b>		<b>3 973</b>	<b>(58 737)</b>
Cash at the beginning of the year		30 090	88 827
Effect of exchange rate movement on cash balances		(13)	-
<b>Total cash at end of the year</b>	10	<b>34 050</b>	<b>30 090</b>

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Accounting Policies

---

### Corporate information

PBT Group Ltd ("PBT" or "the Company") is a company domiciled in South Africa and listed on the JSE Limited under the Software and Computer Services Sector. The consolidated financial statements of PBT as at 31 March 2018 and for the year ended 31 March 2018 comprise the Company and its subsidiaries (together referred to as the Group). The consolidated financial statements include the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of change in equity, consolidated statement of cashflow and the notes to the consolidated financial statements.

### 1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below.

#### 1.1 Basis of preparation

The consolidated annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS"), JSE Listing requirements and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated annual financial statements and the Companies Act of South Africa of South Africa, as amended.

These consolidated annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group functional currency.

These accounting policies are consistent with the previous period.

#### 1.2 Consolidation

##### Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the group.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Accounting Policies

---

### 1.2 Consolidation (continued)

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### 1.3 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

### 1.4 Significant judgements and sources of estimation uncertainty

The preparation of consolidated annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. 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 estimates are revised and in any future periods affected.

#### Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

#### Key sources of estimation uncertainty

##### Trade receivables and loans and 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 the financial asset.

The impairment (or loss allowance) for trade receivables are assessed separately for individually significant trade receivables. The impairment test is based on historical information and long outstanding balances which is believed not to be recoverable.

##### Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Accounting Policies

---

### 1.4 Significant judgements and sources of estimation uncertainty (continued)

#### Impairment testing - Goodwill

Assets are subject to regular impairment reviews as required. Impairments are measured as the difference between the cost (or amortised cost) of a particular asset and the recoverable amount which is the greater of the fair value less cost to sell and value in use of the asset. Impairments are recorded in the statement of comprehensive income in the period in which they occur. The Group's policy in relation to impairment testing in respect of goodwill is detailed below.

The recoverable amount of the cash-generating units has been determined based on a value-in-use calculation. Key assumptions applied to determine the recoverable amount of the cash-generating units, using the value in-use calculation relating to sales growth rates, working capital requirements and capital expenditure.

The following assumptions were utilised:

Pre-tax discount rate: 19.05%

Growth rate: 3.00%

Number of years: 5 years

#### Taxation

Estimates are required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

### 1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

---

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years

---



# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Accounting Policies

---

### 1.5 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years
Internally developed software	5 years
Other intangible assets	5 years

### 1.7 Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented separately.

Goodwill is subsequently measured at cost less accumulated impairment losses.

### 1.8 Financial instruments

#### Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - designated
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

# **PBT Group Limited**

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## **Accounting Policies**

---

### **1.8 Financial instruments (continued)**

#### **Initial recognition and measurement**

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

#### **Subsequent measurement**

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Dividend income is recognised in profit or loss as part of other income when the group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

#### **Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

#### **Impairment of financial assets**

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Accounting Policies

---

### 1.8 Financial instruments (continued)

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, plus direct transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

#### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. These are initially and subsequently recorded at fair value.

#### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

### 1.9 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Accounting Policies

---

### 1.9 Tax (continued)

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### 1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

### 1.11 Inventories

Work-in-progress is recognised by reference to the stage of completion of the transaction at the end of each month. Stage of completion is determined by the percentage income received 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 (allocated costs). The project cost estimate is reviewed and updated on a monthly basis, if necessary. All related costs, eg, salaries, flights, accommodation, subsistence and other allowances, etc are included.

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

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

Inventories are measured at fair value less costs to complete and sell.

# **PBT Group Limited**

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## **Accounting Policies**

---

### **1.12 Non-current assets (disposal groups) held for sale**

Non-current assets and disposal groups are classified as held for sale or held for distribution when their carrying amount will be recovered principally through a sale transaction or distribution rather than through continuing use. Non-current assets and disposal groups are classified in this category only when the sale or distribution is considered to be highly probable.

Non-current assets (or disposal groups) held for sale distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell.

### **1.13 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

### **1.14 Employee benefits**

#### **Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### **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.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Accounting Policies

---

### 1.15 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes

Revenue comprises of information management service fee income, interest income and dividend income.

Information management service fee income is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably. The revenue is then recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be reliably estimated when all of the following conditions are satisfied:

- the amount of revenue can be estimated reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transition and the cost to completion can be measured reliably.

Stage of completion is determined as follows:

- income from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred;
- income 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
- income from large customised projects stage of completion is measured relative to the milestones achieved as specified in the contract.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall only be recognised to the extent of the expenses incurred and recognised that are recoverable.

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

### 1.16 Interest and dividend income

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

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

### 1.17 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

### 1.18 Cost of sales

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

### 1.19 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Accounting Policies

---

### 1.20 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

#### Foreign currency operations

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

### 1.21 Discontinued operations

A discontinued operation is a component of the Group's, 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 restated as if the operations had been discontinued from the commencement of the comparative year.

# **PBT Group Limited**

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## **Accounting Policies**

---

### **1.22 Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from external transactions with other Group segments. Segment results are determined before any adjustments for minority interests.

Segment assets and liabilities comprise the operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deducting related allowances that are reported as direct offsets in the Group's statement of financial position. Capital expenditure represents the total costs incurred during the period to acquire segment assets that are expected to be used during more than one period, namely property, plant and equipment, and intangible assets other than goodwill.

Business segments comprise the following, which are aggregated upon consolidation:

- South Africa;
- Australia; and
- Middle-East/Africa.

Revenue comprises sales to customers and services rendered to customers.

### **1.23 Earnings per share**

Earnings per share is calculated on the weighted average number of shares in issue, net of treasury shares, in respect of the year and is based on profit attributable to ordinary shareholders. Headline earnings per share is calculated in terms of the requirements set out in Circular 02/2015 issued by SAICA.



# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

2018

2017

### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
<ul style="list-style-type: none"><li>Amendments to IAS 7: Disclosure initiative</li></ul>	01 January 2017	The impact of the standard is not material.
<ul style="list-style-type: none"><li>Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses</li></ul>	01 January 2017	The impact of the amendments is not material.
<ul style="list-style-type: none"><li>Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project</li></ul>	01 January 2016	The impact of the amendment is not material.

#### 2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2018 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
<ul style="list-style-type: none"><li>Insurance Contracts</li></ul>	01 January 2021	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>IFRS 16 Leases</li></ul>	01 January 2019	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>IFRS 9 Financial Instruments</li></ul>	01 January 2018	Unlikely there will be a material impact
<ul style="list-style-type: none"><li>IFRS 15 Revenue from Contracts with Customers</li></ul>	01 January 2018	Unlikely there will be a material impact

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

2018

2017

### 2. New Standards and Interpretations (continued)

Management is in the process of evaluating the impact of these amendments to standards and interpretations on the company's reported results or financial position. Management initial evaluation is that the amendments will not have a material effect on the company's reported results or financial position.

Management has considered the impact of IFRS15: Revenue from Contracts with customers on the current annual financial statements. Due to the nature of the company's current contracts with its customers, no material changes to the timing and amount of revenue recognised are expected. Therefore, management's overall assessment is that the effect of IFRS 15 on the annual financial statements is not expected to be material.

Management has assessed the impact of IFRS 16: Leases on the current annual financial statements. Management's assessment is that the impact will be material to certain balances on the statement of financial position and line items on the statement of comprehensive income. The main impact is particularly in relation to the recognition of "right-of-use" assets and lease liabilities that were previously treated as operating leases. As such, changes will be noted under property, plant and equipment, operating lease liabilities, depreciation, lease rentals on operating lease and finance costs. Key balance sheet metrics such as leverage and finance ratios, debt covenants and income statement metrics, such as earnings before interest, taxes, depreciation and amortisation (EBITDA), will be impacted.

The impact of IFRS 16: Leases, can be summarised as follows:

Right of use asset	23 723	21 664
Accumulated depreciation	(10 210)	(6 794)
Lease liability	(15 009)	(16 076)
<b>Effect on profit or loss</b>		
Cumulative effect on profit or loss	-	478
Current year effect on profit or loss	429	-

## PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

#### 3. Property, plant and equipment

	2018		2017		
Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	16 320	(13 556)	2 764	15 263	4 042
Furniture and fixtures	5 583	(2 328)	3 255	5 519	3 656
Office equipment	184	(172)	12	608	94
<b>Total</b>	<b>22 087</b>	<b>(16 056)</b>	<b>6 031</b>	<b>21 390</b>	<b>7 792</b>

#### Reconciliation of property, plant and equipment - 2018

Opening balance									
	4 042	1 503	(336)	-	(2 445)	2 764			
	3 656	406	-	15	(822)	3 255			
	94	108	-	20	(210)	12			
	<b>7 792</b>	<b>2 017</b>	<b>(336)</b>	<b>35</b>	<b>(3 477)</b>	<b>6 031</b>			

#### Reconciliation of property, plant and equipment - 2017

Opening balance									
	3 878	2 506	(60)	-	(2 282)	4 042			
	3 974	124	-	157	(599)	3 656			
	118	68	-	-	(92)	94			
	<b>7 970</b>	<b>2 698</b>	<b>(60)</b>	<b>157</b>	<b>(2 973)</b>	<b>7 792</b>			

## PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand 2018 2017

#### 4. Goodwill

	2018			2017		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	285 572	(149 906)	135 666	285 572	(31 645)	253 927

#### Reconciliation of goodwill - 2018

	Opening balance	Impairment loss	Total
Goodwill	253 927	(118 261)	135 666

#### Reconciliation of goodwill - 2017

	Opening balance	Disposal of discontinued operations	Impairment loss	Total
Goodwill	375 619	(90 047)	(31 645)	253 927

The Goodwill on the Statement of Financial Position arose from the reverse acquisition of PBT Group Limited by the Prescient Holdings Group of Companies ("Prescient Holdings") effective 1 September 2012. According to IFRS 3 Business Combinations, PBT Group Limited was treated as the accounting acquiree and Goodwill on the PBT Group of Companies arose as a result.

During the 2017 financial year the financial services segment of the business, being Prescient Holdings, delisted from the group, leaving the PBT Group of Companies and Prescient Capital Group of Companies. The PBT Group comprise of IT Services. The Prescient Capital Group of Companies are in the process of being disposed of and the Goodwill allocated to this group R22.7m has been classified as held-for-sale in the prior year. With the 2012 Goodwill calculation and allocation, the PBT Group of Companies was seen as a separate Cash Generating Unit ("CGU").

In terms of IFRS, the Group performs an annual impairment test on Goodwill based on CGU's. The recoverable amount of each CGU to which Goodwill is allocated has been determined based on the value-in-use calculation which uses cash flow projections on financial forecasts.

Management based its cash flow projections on historical information and taking into account discontinued operations and the downsizing of the Middle-East/Africa business. A steady and prudent revenue growth rate was used and was calculated over a period of 5 years.

The negative trading environment in this segment of our business, necessitated complete reduction of exposure to this region. Accordingly, we are pleased to report that we have reduced this exposure by 80% and will no longer be regarded as a separate segment of our business for future financial periods. This vast effort resulted in very positive cashflow as we succeeded in collecting the bulk of outstanding debtors in this region.

The discount rate used to calculate the value-in-use figure is 19% (2017: 17%) and the terminal growth rate 3% (2017: 6%).

At year end, in terms of IFRS, the PBT Group of Companies is still seen as a separate CGU and an impairment test was performed. For 2018 financial year the Goodwill figure has been impaired from R253.9m to R135.7m in accordance with a directors' calculation.

## PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

#### 5. Intangible assets

	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	3 447	(3 242)	205	3 447	(2 576)	871
Internally developed software	33 778	(33 308)	470	33 505	(32 148)	1 357
Other intangible assets	7 339	(7 339)	-	7 339	-	7 339
<b>Total</b>	<b>44 564</b>	<b>(43 889)</b>	<b>675</b>	<b>44 291</b>	<b>(34 724)</b>	<b>9 567</b>

#### Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Disposal of discontinued operations	Amortisation	Impairment loss	Other	Total
Computer software	871	-	(666)	-	-	-	-	205
Internally developed software	1 357	273	(1 194)	-	-	-	34	470
Other intangible assets	7 339	-	-	(7 339)	-	-	-	-
	<b>9 567</b>	<b>273</b>	<b>(1 860)</b>	<b>(7 339)</b>	<b>(7 339)</b>	<b>(7 339)</b>	<b>34</b>	<b>675</b>

#### Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposal of discontinued operations	Amortisation	Impairment loss	Total
Computer software	633	759	-	(521)	-	871
Patents, trademarks and other rights	1 120	-	(1 120)	-	-	-
Internally developed software	6 431	485	-	(3 308)	(2 251)	1 357
System development costs	7 367	-	(7 367)	-	-	-
Other intangible assets	7 339	-	-	-	-	7 339
	<b>22 890</b>	<b>1 244</b>	<b>(8 487)</b>	<b>(3 829)</b>	<b>(2 251)</b>	<b>9 567</b>

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand 2018 2017

### 5. Intangible assets (continued)

#### Other information

Other intangible assets that was recognised in 2014 due to the purchase price allocation calculation and was allocated to the Middle-East/Africa segment of the PBT Group. The Middle-East/Africa segment has been downsized considerably and management is of the opinion that the value of the intangible asset should be zero. The full value of the asset has been impaired at year end.

### 6. Other financial assets

#### At fair value through profit or loss - designated

Investments 23 844 22 787

Although this investment is classified as an asset held at fair value through profit or loss, it is recorded at cost.

The investment is a minority interest in a private internet based software company which is in a growth phase. However, it will require additional cash injections through future capital raising to be sustainable.

This investment is volatile in nature and as a result has an extremely wide valuation matrix. The investment has therefore been valued at cost by the directors.

Bonds and unlisted debt 433 722

---

**24 277** **23 509**

#### Loans and receivables

Enterprise development loans 1 840 1 420

The unsecured loan bears no interest and will be settled within the next 12 months.

Share plan loans - 2 216

The unsecured loan bore no interest and was settled in the current financial year.

Other loans and receivables 2 875 7 185

The unsecured loan bears interest at prime and has no fixed terms of repayment.

---

**Total other financial assets** **4 715** **10 821**

---

**28 992** **34 330**

#### Non-current assets

Designated as at FV through profit (loss) (FV through income) 24 277 23 509

Loans and receivables 1 509 10 821

---

**25 786** **34 330**

#### Current assets

Loans and receivables 3 206 -

---

**28 992** **34 330**

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2018	2017
<b>7. Deferred tax</b>		
<b>Deferred tax asset</b>		
Assessed loss	483	3 042
Income received in advance	184	405
Provisions	1 472	3 733
Straight-lining of leases	-	172
<b>Total deferred tax asset</b>	<b>2 139</b>	<b>7 352</b>
<b>Deferred tax liability</b>		
Accrued income	172	183
Prepaid expenses	12	196
Work-in-progress	-	5 541
Deferred tax balance from temporary differences other than unused tax losses	184	5 920
Tax losses available for set off against future taxable income	-	-
	184	5 920
<b>Total deferred tax liability</b>	<b>184</b>	<b>5 920</b>
Deferred tax asset	2 139	7 352
Deferred tax liability	(184)	(5 920)
<b>Total net deferred tax asset</b>	<b>1 955</b>	<b>1 432</b>
<b>Reconciliation of deferred tax asset</b>		
At beginning of year	1 432	3 344
Provision for overtime	(85)	-
Provision for leave pay	225	-
Provision for bonus	122	-
Accrued income	12	453
Income received in advance	(221)	263
Prepaid expenses	(12)	-
Assessed loss	482	(4 454)
Trade and other receivables	-	18
Trade and other payables	-	(2 632)
Work in progress	-	4 452
Straight-lining of leases	-	37
Other	-	(49)
	<b>1 955</b>	<b>1 432</b>
<b>Additional information</b>		
PBT Technology Services (MEA) Proprietary Limited has an estimated tax loss carried forward of R 38 513 866. A deferred tax asset of R 11 949 422 has not been recognised.		
<b>8. Inventories</b>		
Work in progress	-	19 787
Carrying value of inventories carried at fair value less costs to sell	-	19 787

## PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2018	2017
<b>9. Trade and other receivables</b>		
Trade receivables	88 709	129 033
Prepayments	42	720
Deposits	1 440	1 408
Accrued income	1 078	656
Dividends receivable	-	92 397
	<b>91 269</b>	<b>224 214</b>

#### Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2018, R 9 602 105 (2017: R 24 336 267) were past due but not impaired.

#### 10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	18	22
Bank balances	22 430	26 328
Short-term deposits	1	1
Money market fund	11 753	11 820
Bank overdraft	(152)	(8 081)
	<b>34 050</b>	<b>30 090</b>
Current assets	34 202	38 171
Current liabilities	(152)	(8 081)
	<b>34 050</b>	<b>30 090</b>

As at 31 March 2018, CyberPro Consulting Proprietary Limited has an overdraft facility of R 3,050,000 and a bank guarantee of R 50,000.

The overdraft facility is secured as follows:

- limited suretyship given by P. Pallini to the value of R 130,000.
- limited suretyship given by PBT Group (South Africa) Proprietary Limited to the value of R 2,600,000.
- unsecured overdraft facility in Technique Business Intelligence Software Proprietary Limited of R 800 000
- Unsecured overdraft facility in PBT Technology Services (MEA) Proprietary Limited of R 500 000.



# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

2018

2017

### 11. Discontinued operations or disposal groups or non-current assets held for sale

The Company has entered into a memorandum of agreement ("the MoA") with an acquiring consortium ("AQC"), in relation to the disposal by the PBT Group of Prescient Capital Proprietary Limited ("Prescient Capital") and its subsidiaries, where the AQC will purchase Prescient Capital from the PBT Group by offering the PBT Group shares owned by the AQC to the PBT Group. In addition, the AQC will purchase the Prescient Holdings shares owned by the PBT Group from the PBT Group by offering the PBT Group shares owned by the AQC to the PBT Group.

The settlement of the total purchase price of R65.8m for Prescient Capital and Prescient Holdings will be settled by way of a deposit of R4.8m and the balance will be accounted for as a share repurchase against equity.

Prescient Capital was established as an investment holding company for the interests of the PBT Group outside of its traditional service offering. Prescient Capital's assets include properties in Johannesburg and Dublin, as well as a venture capital investment.

Prescient Capital consists of Prescient Capital Proprietary Limited, Prescient Property Holdings Proprietary Limited, PIB Risk Services Proprietary Limited and Stadia Capital Proprietary Limited.

After this transaction PBT Group will be a focused IT business as Prescient Capital did not form part of the core business of the PBT Group.

The effective date of the Proposed Transaction is dependant on the shareholder approval date. A finalisation announcement will be released on SENS when the Proposed Transaction becomes unconditional.

Herman Steyn was the Chief Executive Officer of Prescient Limited prior to being re-named to the PBT Group and subsequently appointed as a Non-Executive Director. He is also a material shareholder who forms part of the AQC. As such, he is considered to be a related party in terms of the JSE Listings Requirements.

Cheree Dyers is an Independent Non-Executive Director and shareholder of the PBT Group and she forms part of the AQC. As such, she is considered to be a related party in terms of the JSE Listings Requirements.

The Proposed Transaction is classified as both a specific repurchase and a related party transaction in terms of the JSE Listings Requirements.

The Take Over Regulation Panel ("the TRP") requested that the PBT Group release a supplementary circular with a separate independent expert report dealing with the share repurchase portion of the Proposed Transaction. The date of posting of the supplementary circular will be announced in due course.

Prescient Capital was not previously classified as held-for-sale or as a discontinued operation. The comparative statement of profit or loss and other comprehensive income has been restated to show the discontinued operation separately from continuing operations.

Results of discontinued operations:

#### Profit and loss

Revenue	11 543	349 208
Other income	2 315	13 907
Expenses	(56 302)	(233 957)
Results from operating activities	(42 444)	129 158
Tax	163	(30 242)
Results from operating activities, net of tax	(42 281)	98 916
Gain on sale of discontinued operations*	-	1 153 710
<b>(Loss)/profit for the year</b>	<b>(42 281)</b>	<b>1 252 626</b>
<b>Earnings per share (cents)</b>	<b>(2.82)</b>	<b>77.33</b>

\*Included in 2017 in the gain on sale of discontinued operations is an amount of R92.4 million relating to the excess pay-out as per the SENS announcement released on 26 May

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand 2018 2017

### 11. Discontinued operations or disposal groups or non-current assets held for sale (continued)

(Loss)/profit from discontinued operations of R42.3 million (2017: profit R1.3 billion) was attributable to the owners of the Company. The loss from continuing operations of R139.4 million (2017: loss R33.1 million), and the loss of R145.8 million (2017: loss R39.4 million) was attributable to the owners of the company.

#### Cash flows from/(used in) discontinued operations

Net cash from operating activities	24 816	1 552
Net cash used in investing activities	30 405	929
Net cash from financing activities	(54 363)	(8 973)
<b>Net cash flow for the year</b>	<b>858</b>	<b>(6 492)</b>

#### Disposal of Prescient Capital Proprietary Limited

##### Assets held for sale

Equipment	48	123
Investment property	36 428	49 346
Goodwill and intangible assets	-	22 722
Financial assets at fair value through profit and loss	17 777	4 483
Investments in associate	-	289
Trade and other receivables	920	3 149
Loans receivable	288	673
Taxation receivable	128	-
Cash and cash equivalents	1 532	1 449
	<b>57 121</b>	<b>82 234</b>

##### Liabilities of disposal groups

Deferred tax liability	303	67
Loans payable	5 260	8 106
Trade and other payables	1 009	962
Current tax payable	-	166
	<b>6 572</b>	<b>9 301</b>

##### Net cash inflow

Consideration received in cash	(4 789)	4 789
Cash and cash equivalents	(1 532)	(1 449)
	<b>(6 321)</b>	<b>3 340</b>

A deposit of R 4,8 million was received from Prescient Capital Proprietary Limited on the 6th October 2017.

#### Disposal of Prescient Holdings Proprietary Limited

##### Assets held for sale

Property and equipment	-	7 705
Goodwill and intangible assets	-	75 262
Deferred tax asset	-	9 261
Financial assets at fair value through profit and loss	-	190 692
Investments in associate	-	2 382
Linked investments backing policyholder funds	-	11 192 166
Trade and other receivables	-	1 213 416
Loans receivable	-	68 301
Taxation receivable	-	568
Cash and cash equivalents	-	168 366
	<b>-</b>	<b>12 928 119</b>

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand 2018 2017

### 11. Discontinued operations or disposal groups or non-current assets held for sale (continued)

#### Liabilities of disposal groups

Deferred tax liability	-	729
Policyholder investments contract liabilities	-	11 192 166
Loans payable	-	74 216
Trade and other payables	-	1 218 056
Current tax payable	-	12 093
Bank overdraft	-	58 479
	-	<b>12 555 739</b>

#### Net cash inflow

Consideration received in cash	-	1 427 822
Cash and cash equivalents	-	(109 887)
	-	<b>1 317 935</b>

### 12. Share capital

#### Authorised

2 000 000 000 Ordinary shares of no par value	-	-
---	---	---

#### Reconciliation of number of shares issued:

Reported as at 01 April	1 669 250 950	1 669 250 950
-------------------------	---------------	---------------

330 749 050 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

#### Issued

Ordinary shares of no par value	117 805	144 015
---------------------------------	---------	---------

During the current year the group made a capital reduction payment of a net amount of R 26,209,633.

#### Reconciliation of share repurchased during the year:

Opening balance as at 01 April	9 871 888	9 871 888
Purchased by PBT Group Limited	47 776 900	-
Purchased by subsidiary	2 221 178	-
Transfers	210 318 067	-
	<b>270 188 033</b>	<b>9 871 888</b>

The average purchase price per share during the financial year was 16.14 cents per shares.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2018	2017
<b>13. Trade and other payables</b>		
Trade payables	18 400	11 651
Accrued expenses	2 998	-
Amounts received in advance	657	5 600
Deposits received	4 789	-
Operating lease payables	453	615
Other payables	1 818	3 824
PAYE payable	2 570	2 005
VAT	4 168	5 673
	<b>35 853</b>	<b>29 368</b>

### 14. Other financial liabilities

#### Held at amortised cost

Mettle Debt Fund En Commandite Partnership	-	35 000
--	---	--------

This loan relates to a draw down facility provided to the Group for general corporate purposes. Contractually agreed interest payments are due monthly, with the outstanding capital and interest amounts repayable in October 2017. Interest is charged at the Prime rate plus 4.5%.

The loan was settled during the current financial year.

#### Current liabilities

At amortised cost	-	35 000
-------------------	---	--------

### 15. Provisions

#### Reconciliation of provisions - 2018

	Opening balance	Additions	Utilised during the year	Total
Provision for bonus	503	939	(503)	939
Provision for overtime	5 611	1 821	(5 611)	1 821
Provision for leave	3 307	3 342	(3 307)	3 342
Provision for salaries	-	689	-	689
	<b>9 421</b>	<b>6 791</b>	<b>(9 421)</b>	<b>6 791</b>

#### Reconciliation of provisions - 2017

	Opening balance	Additions	Utilised during the year	Total
Provision for bonus	406	503	(406)	503
Provision for overtime	220	5 611	(220)	5 611
Provision for leave	1 296	3 307	(1 296)	3 307
	<b>1 922</b>	<b>9 421</b>	<b>(1 922)</b>	<b>9 421</b>

#### Provision for leave:

Employee benefits in the form of annual leave entitlements are provided for when they accrue to employees with reference to services rendered up to the reporting date and the Group's leave policy. The above provisions represent management's best estimate of the Group's liability based on prior experience.

#### Provision for bonus and overtime:

An annual provision is raised based on management's assessment of the amounts payable.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2018	2017
<b>16. Revenue</b>		
Sale of goods	3 883	16
Rendering of services	551 728	563 750
Recovery income	483	-
	<b>556 094</b>	<b>563 766</b>
<b>17. Cost of sales</b>		
Sale of goods	3 713	4 543
Rendering of services	454 259	443 442
<b>18. Other operating income</b>		
Recovery income	70	987
Write-off of share based payment plan	44	7
Recovery of bad debts	855	-
Realised gain on financial assets	1 372	-
Sundry income	415	317
	<b>2 756</b>	<b>1 311</b>
<b>19. Other operating gains (losses)</b>		
<b>Gains (losses) on disposals, scrappings and settlements</b>		
Property, plant and equipment	4	-
Non-current assets held for sale and disposal groups	3	-
Other assets	(11)	-
	<b>(4)</b>	<b>-</b>
<b>Foreign exchange gains (losses)</b>		
Net foreign exchange loss	(4 409)	(294)
<b>Fair value gains (losses)</b>		
<b>Financial instruments at fair value through profit or loss:</b>		
Designated as such at initial recognition	115	18 872
<b>Total other operating gains (losses)</b>	<b>(4 298)</b>	<b>18 578</b>
<b>20. Operating profit (loss)</b>		
Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:		
<b>Remuneration, other than to employees</b>		
Administrative and managerial services	773	997
Consulting and professional services	5 171	5 964
Secretarial services	358	241
	<b>6 302</b>	<b>7 202</b>
<b>Employee costs</b>		
Salaries, wages, bonuses and other benefits - administration	42 463	38 333
Salaries, wages, bonuses and other benefits - cost of sales	288 275	255 133
<b>Total employee costs</b>	<b>330 738</b>	<b>293 466</b>
<b>Leases</b>		

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2018	2017
<b>20. Operating profit (loss) (continued)</b>		
<b>Operating lease charges</b>		
Premises	7 592	7 329
Equipment	3	201
	<b>7 595</b>	<b>7 530</b>
<b>Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	3 477	2 973
Amortisation of intangible assets	1 826	3 829
<b>Total depreciation and amortisation</b>	<b>5 303</b>	<b>6 802</b>
<b>Impairment losses</b>		
Goodwill	118 261	31 645
Intangible assets	7 339	2 429
Other financial assets	1 368	-
	<b>126 968</b>	<b>34 074</b>
<b>21. Investment income</b>		
<b>Dividend income</b>		
<b>From investments in financial assets measured at fair value through profit or loss:</b>		
Dividend income from pledged shares from termination of the group's FSP in December 2016	1 868	8 084
<b>Interest income</b>		
<b>From investments in financial assets:</b>		
Bank and other cash	2 298	2 919
Loans and receivables at amortised cost	12	11
Trade and other receivables	56	-
Other financial assets	102	229
<b>From other related parties:</b>		
Other	1 699	1 996
<b>Total interest income</b>	<b>4 167</b>	<b>5 155</b>
<b>Total investment income</b>	<b>6 035</b>	<b>13 239</b>
<b>22. Finance costs</b>		
Other related parties	1 592	141
Trade and other payables	5	2
Bank overdraft	1 797	1 323
Other financial liabilities	1 797	4 403
<b>Total finance costs</b>	<b>5 191</b>	<b>5 869</b>

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand 2018 2017

### 23. Taxation

#### Major components of the tax expense

##### Current

Local income tax - current period	8 431	15 201
Local income tax - recognised in current tax for prior periods	(1 570)	(50)
Securities transfer tax	22	-
Foreign income tax or withholding tax - recognised in current tax for prior periods	6 826	16 584
Foreign income tax or withholding tax - current period	8 832	-
	<b>22 541</b>	<b>31 735</b>

##### Deferred

##### Originating and reversing temporary differences on:

Provision for overtime	85	240
Provision for leave pay	(225)	69
Provision for bonus	(122)	249
Accrued income	(12)	(15)
Income received in advance	222	(320)
Prepaid expenses	12	118
Tax losses not raised	(483)	(60)
Work in progress	-	(4 452)
Straight lining of leases	-	(37)
Bad debts	-	(1 046)
Deferred revenue	-	(1 163)
	<b>(523)</b>	<b>(6 417)</b>
	<b>22 018</b>	<b>25 318</b>

#### Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.00 %	28.00 %
Non-deductible expenses	(1.81)%	(186.00)%
Securities transfer tax	(0.02)%	- %
Dividends received	0.45 %	29.00 %
Prior year tax adjustment	1.34 %	1.00 %
Withholdings tax	(13.34)%	(213.00)%
Deferred tax asset not raised	(33.41)%	- %
Tax rate adjustment	0.01 %	1.00 %
Fair value gain	0.02 %	14.00 %
	<b>(18.76)%</b>	<b>(326.00)%</b>

PBT Technology Services (MEA) Proprietary Limited has an estimated tax loss carried forward of R 38 513 866.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

2018

2017

### 24. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

#### 2018

	Loans and receivables	Fair value through profit or loss	Non financial assets	Total
Trade and other receivables	90 149	-	1 102	91 251
Other financial assets	4 715	24 277	-	28 992
Cash and cash equivalents	34 202	-	-	34 202
	<b>129 066</b>	<b>24 277</b>	<b>1 102</b>	<b>154 445</b>

#### 2017

	Loans and receivables	Available-for-sale	Available-for-sale	Total
Trade and other receivables	222 838	-	1 376	224 214
Other financial assets	10 821	23 509	-	34 330
Cash and cash equivalents	38 172	-	-	38 172
	<b>271 831</b>	<b>23 509</b>	<b>1 376</b>	<b>296 716</b>

### 25. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

#### 2018

	Financial liabilities at amortised cost	Leases	Non financial liabilities	Total
Trade and other payables	24 334	453	11 065	35 852
Bank overdraft	152	-	-	152
	<b>24 486</b>	<b>453</b>	<b>11 065</b>	<b>36 004</b>

#### 2017

	Financial liabilities at amortised cost	Leases	Non financial liabilities	Total
Other financial liabilities	35 000	-	-	35 000
Trade and other payables	15 472	615	13 278	29 365
Bank overdraft	8 081	-	-	8 081
	<b>58 553</b>	<b>615</b>	<b>13 278</b>	<b>72 446</b>



# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	2018	2017
<b>26. Cash generated from operations</b>		
Profit (loss) before taxation	(117 352)	(7 778)
<b>Adjustments for:</b>		
Depreciation and amortisation	5 303	6 802
Loss on sale of investments	4	-
Losses on foreign exchange	4 409	294
Dividend income	(1 868)	(8 084)
Interest income	(4 167)	(5 155)
Finance costs	5 191	5 869
Fair value gains	(115)	(18 872)
Impairment losses and reversals	127 041	-
Movements in provisions	(2 630)	7 499
Cash generated from policyholder activities	-	307 697
Gain on financial assets	(1 372)	-
Write-off of share plan liability	(45)	-
<b>Changes in working capital:</b>		
Inventories	19 787	15 901
Trade and other receivables	128 554	(16 372)
Trade and other receivables: non cash items	(68 853)	-
Trade and other payables	6 485	(78 817)
	<b>100 372</b>	<b>208 984</b>

## 27. Related parties

Relationships  
Subsidiaries

BI-Blue Consulting Proprietary Limited  
CyberPro Consulting Proprietary Limited  
PBT Group (South Africa) Proprietary Limited  
PBT Group Australia Proprietary Limited  
PBT Infosight Proprietary Limited  
PBT Insurance Technologies Proprietary Limited  
PBT Technology Services (MEA) Proprietary Limited  
PBT Technology Services Proprietary Limited  
Progressclaim  
Stadia International (BVI)  
Stricklands Tetra Cape Proprietary Limited  
Technique Business Intelligence Software Proprietary Limited

### Compensation to key management

Short-term employee benefits	10 065	34 224
Share-based payment	-	1 655
	<b>10 065</b>	<b>35 879</b>

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

2018

2017

### 28. Directors' emoluments

#### Executive

##### 2018

	Emoluments	Value of contributions paid	Bonus	Fringe benefits	Total
PJ De Wet	649	209	1 785	83	2 726
AM Louw	455	6	-	-	461
	<b>1 104</b>	<b>215</b>	<b>1 785</b>	<b>83</b>	<b>3 187</b>

##### 2017

	Emoluments	Directors' fees	Value of contributions paid	Bonus	Share based payment	Total
CL Dyers	-	633	9	1 000	-	1 642
M Buckham	1 687	-	416	-	48	2 151
	<b>1 687</b>	<b>633</b>	<b>425</b>	<b>1 000</b>	<b>48</b>	<b>3 793</b>

#### Non-executive

##### 2018

	Director's fees	Total
AJ Taylor	292	292
CL Dyers	231	231
HC Steyn	211	211
AL Winker	208	208
	<b>942</b>	<b>942</b>

##### 2017

	Director's fees	Total
PJ De Wet	258	258
KR Moloko	153	153
R van Rooyen	163	163
ZK Meyer	266	266
	<b>840</b>	<b>840</b>

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

2018

2017

### 29. Risk management

#### 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 cash flows and by matching the maturity profiles of financial assets and liabilities.

At 31 March 2018	0 - 3 months	3 - 6 months
Trade and other payables	16 645	12 668
At 31 March 2017	0 - 3 months	3 - 6 months
Other financial liabilities	-	35 000
Trade and other payables	24 852	7 654
Bank overdraft	-	8 081

#### Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

#### 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.

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.

Financial instrument		
Other financial assets	37 070	34 891
Trade and other receivables	91 744	222 273
Cash and cash equivalents	26 036	38 159

#### Foreign exchange 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 Company'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.

# PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

2018

2017

### 30. Fair value information

#### Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

#### Levels of fair value measurements

##### Level 2

#### Recurring fair value measurements

##### Assets

Notes

#### Financial assets designated at fair value through profit (loss)

6

Bonds and unlisted debt

433

722

**Total**

**433**

**722**

Valuation techniques using observable inputs: quoted prices (other than those included in level 1) for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are less than active and financial assets and liabilities valued using models where all significant inputs are observable directly or indirectly from market data.

##### Level 3

#### Recurring fair value measurements

##### Assets

Notes

#### Loans and receivables

6

Loans and receivables

4 715

10 821

#### Financial assets designated at fair value through profit (loss)

6

Investments

23 844

22 787

**Total**

**28 559**

**33 608**

Valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more inputs are unobservable and have a significant effect on the instrument's valuation.

Although this investment is classified as an asset held at fair value through profit or loss, it is recorded at cost. The investment is a minority interest in a private internet based software company which is in a growth phase. However, it will require additional cash injections through future capital raising to be sustainable. This investment is volatile in nature and as a result has an extremely wide valuation matrix. Because of this extremely wide valuation matrix we felt it prudent to record this investment at cost.

## PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

2018

2017

#### 31. Interests in subsidiaries

Name of company	Country of incorporation	Number of ordinary shares held		% holding	
		2018	2017	2018	2017
Bi-Blue Consulting Proprietary Limited	South Africa	1 000	1 000	100 %	100 %
Cyberpro Consulting Proprietary Limited	South Africa	51	51	51 %	51 %
PBT Group (Australia) Proprietary Limited	Australia	11 000	11 000	100 %	100 %
PBT Group (South Africa) Proprietary Limited	South Africa	474	474	100 %	100 %
PBT Insight Proprietary Limited	South Africa	100	100	100 %	100 %
PBT Insurance Technologies Proprietary Limited	South Africa	5 500 000	5 500 000	100 %	100 %
PBT Technology Services (MEA) Proprietary Limited	South Africa	100	100	100 %	100 %
PBT Technology Services Proprietary Limited	South Africa	100	100	100 %	100 %
Prescient Capital Proprietary Limited	South Africa	2 394	2 394	100 %	100 %
Prescient Property Holdings Proprietary Limited	South Africa	38 010 000	38 010 000	100 %	100 %
Stricklands Tetra Cape Proprietary Limited	South Africa	200	200	100 %	100 %
Technique Business Intelligence Software Proprietary Limited	South Africa	700	1 000	70 %	100 %

#### 32. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

#### 33. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year that materially affects the results of the group for the year ended 31 March 2018 or the financial position as at that date.

#### 34. Comparative figures

Certain prior year amounts have been reclassified for consistency with the current year presentation of the consolidated financial statements. These reclassifications had no effect on the reported results of operations.

The effects of the reclassifications are as follows:

##### Statement of Financial Position

Provisions	-	9 422
Trade and other payables	-	(9 422)

##### Statement of cash flows:

Cash generated from operations	-	(5 836)
Purchase of property, plant and equipment	-	4 610
Sale of property plant and equipment	-	(4 478)
Loans advanced to group companies	-	5 704

## PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

#### 35. Earnings per share

##### Basic earnings per share

The calculation of basic earnings per share at 31 March 2018 was based on the loss attributable to ordinary shareholders of R 188,1 (2017: R 1 198,2) and a weighted average of ordinary shares outstanding of 1 499 205 494 (2017: 1 619 927 367), calculated as follows:

	31 March 2018			31 March 2017		
	Continuing operation	Discontinued operation	Total	Continuing operations Restated*	Discontinued operation Restated*	Total
<b>Profit attributable to ordinary shareholders</b>						
R'000						
Profit/(loss) for the year, attributable to owners of the Company	(145 836)	(42 281)	(188 117)	(39 351)	1 256 521	1 217 170
Earnings attributable to FSP Shareholders	-	-	-	(5 129)	(13 835)	(18 964)
<b>Profit/(loss) attributable to ordinary shareholders</b>	<b>(145 836)</b>	<b>(42 281)</b>	<b>(188 117)</b>	<b>(44 480)</b>	<b>1 242 686</b>	<b>1 198 206</b>
<b>Weighted average number of ordinary shares</b>						
R'000						
Ordinary shares at 1 April					1 669 251	1 669 251
Effect of treasury shares held					(170 045)	(23 022)
Effect of FSP shares					-	(26 302)
<b>Weighted average number of ordinary shares at 31 March</b>					<b>1 499 206</b>	<b>1 619 927</b>

## PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

#### 35. Earnings per share (continued)

##### Headline earnings per share

Headline earnings per share has been calculated in accordance with Circular 2/2015 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  
2018

##### Continuing operations

Per the statement of comprehensive income

##### Adjustments

Impairment loss on goodwill and intangible assets

##### Continuing operations headline earnings

Profit before tax	Tax	Non-controlling interests	Earnings attributable to FSP shareholders	Earnings attributable to ordinary shareholders	Cents per share
(117 352)	(22 018)	(6 466)	-	(145 836)	(9.73)
125 600	-	-	-	125 600	8.38
<b>8 248</b>	<b>(22 018)</b>	<b>(6 466)</b>	-	<b>(20 236)</b>	<b>(1.35)</b>

##### Discontinued operation

Per the statement of comprehensive income

##### Adjustments

Restatement to fair value of discontinued operation

Impairment loss on goodwill and investments

Change in fair value of investment property

##### Discontinued operations headline loss

(42 118)	(163)	-	-	(42 281)	(2.82)
16 371	-	-	-	16 371	1.09
26 477	-	-	-	26 477	1.77
(3 545)	-	-	-	(3 545)	(0.24)
<b>(2 815)</b>	<b>(163)</b>	-	-	<b>(2 978)</b>	<b>(0.20)</b>

##### Total

Per the statement of comprehensive income

Total Group headline earnings

(159 470)	(22 181)	(6 466)	-	(188 117)	(12.55)
<b>5 433</b>	<b>(22 181)</b>	<b>(6 466)</b>	-	<b>(23 214)</b>	<b>(1.55)</b>

# PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

### 35. Earnings per share (continued)

R'000  
2017

	Profit before tax	Tax	Non-controlling interests	Earnings attributable to FSP shareholders	Earnings attributable to ordinary shareholders	Cents per share
	(7 778)	(25 318)	(6 255)	(5 129)	(44 480)	(2.75)
<b>Continuing operations</b>						
Per the statement of comprehensive income	34 074	-	-	-	34 074	2.10
<b>Adjustments</b>						
Impairment loss on goodwill	-	-	-	-	-	-
Change in fair value of investment property	-	-	-	-	-	-
<b>Continuing operations headline earnings</b>	<b>26 296</b>	<b>(25 318)</b>	<b>(6 255)</b>	<b>(5 129)</b>	<b>(10 406)</b>	<b>(0.64)</b>
<b>Discontinued operation</b>						
Per the statement of comprehensive income	1 282 868	(30 242)	3 895	(13 835)	1 242 686	76.71
<b>Adjustments</b>						
Gain on sale of discontinued operations*	(1 150 696)	-	-	-	(1 150 696)	(71.03)
Change in fair value of investment property	(4 179)	-	-	-	(4 179)	(0.26)
<b>Discontinued operations headline gain</b>	<b>127 993</b>	<b>(30 242)</b>	<b>3 895</b>	<b>(13 835)</b>	<b>87 811</b>	<b>5.42</b>
<b>Total</b>						
Per the statement of comprehensive income	1 275 090	(55 560)	(2 360)	(18 964)	1 198 206	73.97
<b>Total Group headline earnings</b>	<b>154 289</b>	<b>(55 560)</b>	<b>(2 360)</b>	<b>(18 964)</b>	<b>77 405</b>	<b>4.78</b>

\*Including foreign exchange recycled from foreign currency translation reserve.

### Dividends per share

Interim - declared (2017: 13 December 2016)  
Prescient Distribution - declared (2017: 28 October 2016)  
Capital reduction distribution (2017: Rnil)

	2018 Cents	2017 Cents
Interim	-	2.25
Prescient Distribution	-	85.54
Capital reduction distribution	1.57	-



## PBT Group Limited

(Registration number 1936/008278/06)

Consolidated Annual Financial Statements for the year ended 31 March 2018

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

#### 36. Operating segments

- The reportable segments for the current financial year are according to geographical areas, namely South Africa, Middle-East / Africa and Australia.
- South Africa includes consulting and implementation of data, management information software and healthcare administrations services in the Republic of South Africa.
  - Australia includes consulting and implementation of data, management information software and healthcare administrations services in Australia.
  - Middle-East/Africa includes consulting and implementation of data, management information software in Middle-East and Africa.

	CONTINUING OPERATIONS												
	South Africa			Australia			Middle-East/Africa			Other			Total
	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000
Revenue	410 270	329 141	64 383	78 932	80 958	155 693	483	-	556 094	-	563 766	-	563 766
Other income	52	589	273	715	2 438	-	1 973	28 434	4 736	29 738	-	29 738	29 738
Interest revenue	2 026	827	116	91	1 929	3 980	96	1 389	4 167	6 287	-	6 287	6 287
Cost of sales	(305 493)	(248 849)	(55 010)	(54 709)	(97 470)	(144 427)	-	-	(457 973)	-	(447 985)	-	(447 985)
Depreciation and amortisation	(1 774)	(1 815)	(516)	-	(3 012)	(2 925)	-	-	(5 302)	-	(4 740)	-	(4 740)
Impairments	(75)	(51)	-	-	(1 366)	-	-	-	(1 441)	-	(51)	-	(51)
Operating expenses	(65 569)	(53 823)	(6 867)	(12 959)	(12 418)	(47 440)	(1 986)	(3 058)	(86 840)	-	(117 280)	-	(117 280)
Share of profit/(loss) of equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs	(1 785)	(273)	(5)	(9)	(3 397)	(5 586)	(4)	-	(5 191)	-	(5 868)	-	(5 868)
Income tax expense	(7 116)	(6 242)	(681)	(7 845)	(14 039)	(11 057)	(182)	(174)	(22 018)	(174)	(25 318)	(174)	(25 318)
<b>Profit / (loss) for the year</b>	<b>30 536</b>	<b>19 504</b>	<b>1 693</b>	<b>4 216</b>	<b>(46 377)</b>	<b>(51 762)</b>	<b>380</b>	<b>26 591</b>	<b>(13 768)</b>	<b>26 591</b>	<b>(1 450)</b>	<b>(13 768)</b>	<b>(1 450)</b>

# PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

### Operating segments (continued)

	DISCONTINUED OPERATIONS									
	South Africa		Australia		Middle-East/Africa		Other		Total	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Revenue	-	-	-	-	-	-	11 543	383 144	11 543	383 144
Other income	-	-	-	-	-	-	3 693	1 144 028	3 693	1 144 028
Interest revenue	-	-	-	-	-	-	127	231	127	231
Cost of sales	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-	(52)	(5 725)	(52)	(5 725)
Impairments	-	-	-	-	-	-	(14 287)	-	(14 287)	-
Operating expenses	-	-	-	-	-	-	(19 610)	(230 704)	(19 610)	(230 704)
Share of profit/(loss) of equity accounted investments	-	-	-	-	-	-	-	(759)	-	(759)
Finance costs	-	-	-	-	-	-	(1 136)	(7 346)	(1 136)	(7 346)
Income tax expense	-	-	-	-	-	-	163	(30 242)	163	(30 242)
<b>Profit / (loss) for the year</b>	-	-	-	-	-	-	(19 559)	1 252 627	(19 559)	1 252 627

	GROUP									
	South Africa		Australia		Middle-East/Africa		Other		Total	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Revenue	410 270	329 141	64 383	78 932	80 958	155 693	12 025	383 144	567 636	946 910
Other income	52	589	273	715	2 438	-	5 562	1 153 954	8 325	1 173 766
Interest revenue	2 026	827	116	91	1 929	3 980	224	1 620	4 294	6 518
Cost of sales	(305 493)	(248 849)	(55 010)	(54 709)	(97 469)	(144 427)	-	-	(457 973)	(447 985)
Depreciation and amortisation	(1 774)	(1 815)	(516)	-	(3 012)	(2 924)	(52)	(5 725)	(5 354)	(10 465)
Impairments	(75)	(51)	-	-	(1 366)	-	(14 287)	-	(15 728)	(51)
Operating expenses	(65 569)	(53 823)	(6 867)	(12 959)	(12 418)	(47 440)	(21 606)	(234 127)	(106 460)	(347 984)
Share of profit/(loss) of equity accounted investments	-	-	-	-	-	-	-	(759)	-	(759)
Finance costs	(1 795)	(273)	(5)	(9)	(3 397)	(5 586)	(1 140)	(7 346)	(6 327)	(13 215)
Income tax expense	(7 116)	(6 242)	(681)	(7 845)	(14 039)	(11 057)	(20)	(30 416)	(21 856)	(55 560)
<b>Profit / (loss) for the year</b>	30 535	19 503	1 692	4 216	(46 376)	(51 761)	(19 294)	1 260 345	(33 328)	1 251 175

# PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

### Operating segments (continued)

	CONTINUING OPERATIONS													
	South Africa			Australia			Middle-East/Africa			Other			Total	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Segment assets *	90 013	86 682	20 283	28 862	25 850	91 149	28 305	124 953	164 450	331 647				
Intangible assets	479	1 357	-	-	196	-	-	8 209	675	9 566				
Investment in equity-accounted investees	-	-	-	-	-	-	-	-	-	-				
Linked investments backing policyholder funds	-	-	-	-	-	-	-	-	-	-				
<b>Total assets</b>	90 493	88 039	20 283	28 862	26 046	91 149	28 305	133 162	165 125	341 213				
Segment liabilities	(27 633)	(20 475)	(4 748)	(10 135)	(7 424)	(62 593)	(4 948)	2 257	(44 754)	(95 461)				
Policyholder investment contract liabilities	-	-	-	-	-	-	-	-	-	-				
<b>Total liabilities</b>	(27 633)	(20 475)	(4 748)	(10 135)	(7 424)	(62 593)	(4 948)	2 257	(44 754)	(95 461)				

	DISCONTINUED OPERATIONS													
	South Africa			Australia			Middle-East/Africa			Other			Total	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Segment assets *	-	-	-	-	-	-	57 121	59 056	57 121	59 056				
Intangible assets	-	-	-	-	-	-	-	-	-	-				
Investment in equity-accounted investees	-	-	-	-	-	-	-	289	-	-				
<b>Total assets</b>	-	-	-	-	-	-	57 121	59 345	57 121	59 345				
Segment liabilities	-	-	-	-	-	-	(6 572)	(9 302)	(6 572)	(9 302)				
Policyholder investment contract liabilities	-	-	-	-	-	-	-	-	-	-				
<b>Total liabilities</b>	-	-	-	-	-	-	(6 572)	(9 302)	(6 572)	(9 302)				

# PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

### Operating segments (continued)

	GROUP									
	South Africa		Australia		Middle-East/Africa		Other		Total	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Segment assets *	90 013	86 682	20 283	28 862	25 850	91 149	85 425	184 009	221 571	390 703
Intangible assets	479	1 357	-	-	196	-	-	8 209	675	9 566
Investment in equity-accounted investees	-	-	-	-	-	-	-	289	-	289
Linked investments backing policyholder funds	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>90 493</b>	<b>88 039</b>	<b>20 283</b>	<b>28 862</b>	<b>26 046</b>	<b>91 149</b>	<b>85 426</b>	<b>192 508</b>	<b>222 246</b>	<b>400 558</b>
Segment liabilities	(27 633)	(20 475)	(4 748)	(10 135)	(7 424)	(62 593)	(11 521)	(11 558)	(51 326)	(104 762)
Policyholder investment contract liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>(27 633)</b>	<b>(20 475)</b>	<b>(4 748)</b>	<b>(10 135)</b>	<b>(7 424)</b>	<b>(62 593)</b>	<b>(11 521)</b>	<b>(11 558)</b>	<b>(51 326)</b>	<b>(104 762)</b>

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

	2018 R'000	2017 R'000
<b>Reconciliation of reportable segment revenue</b>		
Total consolidated income for reportable segments	567 636	946 910
Elimination of discontinued operations	(11 543)	(383 144)
<b>Consolidated total income</b>	<b>556 094</b>	<b>563 766</b>
<b>Profit before tax</b>		
Total consolidated profit before tax for reportable segments	(11 472)	1 306 736
Less impairment of goodwill	(125 600)	(31 645)
Elimination of discontinued operations	19 720	(1 282 869)
<b>Consolidated profit before tax</b>	<b>(117 352)</b>	<b>(7 778)</b>

# PBT Group Limited

(Registration number 1936/008278/06)  
Consolidated Annual Financial Statements for the year ended 31 March 2018

## Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand

### Operating segments (continued)

<b>Assets</b>	
Total assets for reportable segments	208 050
Goodwill	253 928
Assets for other segments	192 219
Equity accounted investees	289
Elimination of discontinued operations	(59 345)
<b>Consolidated total assets</b>	<b>595 141</b>

<b>Liabilities</b>	
Total liabilities for reportable segments	(93 204)
Liabilities for other segments	(11 558)
Other unallocated amounts	-
Elimination of discontinued operations	9 301
<b>Consolidated total liabilities</b>	<b>(95 461)</b>