2019

SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

AND NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 31 MARCH 2019

PBT group

DATA SPECIALISTS

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LETTER TO SHAREHOLDERS

Dear Shareholder

Notice of Annual General Meeting and Proxy

The document accompanying this letter is our detailed notice of the annual general meeting for the PBT Group Limited to be held at 10:00 on Friday, 2 August 2019 at PBT House, 2 Mews Close, Waterford Mews, Century City, 7441 (the AGM). We have also included summarised audited consolidated financial statements with explanatory notes and commentary, and a proxy form. These documents comply with the requirements of the Companies Act, Act 71 of 2008, (as amended) (the Act) and the JSE Limited (JSE) Listings Requirements.

Printed copies of the full Integrated Annual Report (incorporating a full set of audited financial statements) (Integrated Report) will only be mailed to shareholders on request. Should you wish to receive a printed copy of the Integrated Report, please forward an e-mail request to bianca.pieters@pbtgroup.co.za. The Integrated Report is available for download on our website at https://www.pbtgroup.co.za/financial-information/

Yours sincerely,

Bianca Pieters
Company Secretary

5 July 2019

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

NOTICE OF ANNUAL GENERAL MEETING

For the year ended 31 March 2019

NOTICE IS HEREBY GIVEN that the next Annual General Meeting (AGM) of the shareholders of the Company will be held in the boardroom at 10:00 on Friday, 2 August 2019 at PBT House, 2 Mews Close, Waterford Mews, Century City, Cape Town, to conduct the undermentioned business and for the undermentioned ordinary and special resolutions to be proposed:

Presentation of audited financial statements

The audited consolidated financial statements of the Company, including the Reports of the Directors, the Audit and Risk Committee and the independent auditor, for the year ended 31 March 2019, will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act, Act 71 of 2008 (as amended) (Companies Act). The complete set of Audited Consolidated Annual Financial Statements, together with the Directors' and Independent Auditor's Reports are set out on pages 32 to 100 of the Company's Integrated Report for the year ended 31 March 2019 (Integrated Report) and the Audit and Risk Committee Report are set out on pages 28 and 29 thereof.

Ordinary resolutions

To consider and, if deemed fit, to pass, the undermentioned Ordinary Resolutions Numbers 1 to 7 with or without modification.

In order to be adopted:

- Ordinary Resolutions Numbers 1, 2, 3, 5, 6 and 7 require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting; and
- Ordinary Resolution Number 4 requires the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting.

1. Ordinary Resolution Number One

THE REAPPOINTMENT OF THE INDEPENDENT AUDITOR AND DESIGNATED AUDITOR

To reappoint, as recommended by the Company's Audit and Risk Committee, the firm BDO Cape Inc as independent auditors and Imtiaaz Hashim as the individual designated auditor, of the Company for the ensuing period terminating on the conclusion of the next AGM of the Company and to authorise the Directors to determine the remuneration of the auditors for the past year.

2. Ordinary Resolution Number Two

THE REAPPOINTMENT OF NON-EXECUTIVE DIRECTORS

To re-elect the following Non-Executive Directors who, in terms of the Company's Memorandum of Incorporation (MOI), retire by rotation at the AGM, but, being eligible, offer themselves for re-election:

2.1 Herman Steyn.

2.2 Arthur Winkler.

Brief biographies of the aforementioned Non-Executive Directors are included on page 41 of this document.

The appointments numbered 2.1 and 2.2 constitute separate ordinary resolutions and will be considered by separate votes.

3. Ordinary Resolution Number Three

THE APPOINTMENT OF THE AUDIT AND RISK COMMITTEE FOR THE ENSUING YEAR

To elect the following Directors, who are eligible and offer themselves for election, to the Audit and Risk Committee for the ensuing year, as recommended by the Board of Directors of the Company (Board) in accordance with section 94(2) of the Companies Act:

3.1 Arthur Winkler (Chairman) – subject to the passing of Ordinary Resolution Number 2.2.

3.2 Cheree Dyers.

3.3 Tony Taylor.

Brief biographies of the aforementioned Non-Executive Directors are included on pages 40 and 41 of this document.

The appointments numbered 3.1 to 3.3 constitute separate ordinary resolutions and will be considered by separate votes.

4. Ordinary Resolution Number Four

GENERAL AUTHORITY TO ISSUE SECURITIES FOR CASH

To authorise the Directors of the Company, by way of a general authority, to allot and issue for cash any or all of its authorised but unissued ordinary shares and to issue any options/convertible securities that are convertible into an existing class of equity securities in the share capital of the Company as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE (Listings Requirements), the Companies Act and the MOI of the Company, and provided further that:

(a) the approval shall be valid until the date of the next AGM, provided it shall not extend beyond 15 (fifteen) months from the date of this resolution;

(b) the number of ordinary shares issued for cash shall, in any one financial year in the aggregate, not exceed 32 384 088 shares, being 30% (thirty percent) of the Company's issued shares as at the date of this notice, excluding treasury shares;

(c) after the Company has issued shares in terms of this general authority representing, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company will publish an announcement containing full details of the issue, including the effects of the issue on the net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, and diluted earnings and headline earnings per share;

(d) in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount at which such shares may be issued will be 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the Company's shares have not traded in such 30 (thirty)-business-day period;

(e) any shares issued under this authority during the period contemplated in paragraph (a) above, must be deducted from the number in paragraph (b) above;

(f) in the event of a subdivision or consolidation of issued shares during the period contemplated in paragraph (a) above, the existing authority must be adjusted accordingly to represent the same allocation ratio;

(g) any such issue will only be made to public shareholders as defined in the Listings Requirements and not to related parties; and

(h) the shares, which are the subject of the issue for cash, will be of a class already in issue, or where this is not the case, will be limited to such shares or rights that are convertible to a class already in issue.

EXPLANATORY NOTE

The reason for this ordinary resolution is, and the effect thereof will be to authorise the Directors to allot and issue, for cash, any of the Company's unissued ordinary shares, as they in their discretion deem fit, subject to the applicable provisions of the Listings Requirements, the Companies Act, the MOI and this resolution.

As mentioned above, in terms of the Listings Requirements, this ordinary resolution requires the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting.

5. Ordinary Resolution Number Five

DIRECTORS' OR GROUP COMPANY SECRETARY'S AUTHORITY TO IMPLEMENT RESOLUTIONS

To authorise each and every Director or the Company Secretary of the Company to do all such things and sign all documents and take all such actions as they consider necessary to give effect to and implement the ordinary and special resolutions as set out in this notice.

6. Ordinary Resolution Number Six

NON-BINDING ADVISORY VOTE ON THE REMUNERATION POLICY OF THE COMPANY AND THE IMPLEMENTATION OF THE REMUNERATION POLICY OF THE COMPANY

To endorse, by way of non-binding votes:

6.1 The Company's Remuneration Policy detailed on pages 20 and 21 of the Company's Integrated Report.

6.2 The Company's Remuneration Implementation Report detailed on pages 20 and 21 of the Company's Integrated Report.

The ordinary resolutions numbered 6.1 and 6.2 constitute separate ordinary resolutions and will be considered by separate votes.

In accordance with Principle 14 of the King Report on Corporate Governance for South Africa, 2016 (King IV™), the Company's Remuneration Policy and Remuneration Implementation Report are tabled for consideration by shareholders. These votes enable shareholders to express their views on the remuneration policies adopted by the company and on the implementation thereof.

Ordinary Resolution Numbers 6.1 and 6.2 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements; however, the Board will take the outcome of the votes on these resolutions into consideration when considering amendments to the Company's Remuneration Policy. Should either of the resolutions, or both, be opposed by 25% (twenty-five percent) or more of the total number of votes exercisable by shareholders present or represented by proxy at the AGM, the Board will issue an invitation, included in the announcement to shareholders advising of the results of the AGM, to be published on SENS on 5 July 2019, to those shareholders who voted against the applicable resolution to engage with the Company at a meeting scheduled for this purpose.

7. Ordinary Resolution Number Seven

GENERAL PAYMENTS

To resolve that, in terms of the MOI and subject to the provisions of the Companies Act and the Listings Requirements, the Board shall be entitled, from time to time, to pay by way of a reduction of share premium, capital distributions to shareholders of the Company in lieu of a dividend. Such distributions shall be made pro rata to all shareholders and shall be amounts equal to the amounts which the Board would have declared and paid out of profits of the Company as interim and final dividends in respect of the financial year ending 31 March 2019. This authority shall not extend beyond the date of the AGM following the date of the AGM at which this resolution is being proposed, or 15 (fifteen) months from the date of the resolution, whichever is shorter.

It is the intention of the Company and/or any of its subsidiaries to utilise the general authority to make a general payment to shareholders, if at some future date the cash resources of the Company are in excess of its requirements. In this regard, the Board will take account of, inter alia, appropriate capitalisation structures for the Company as well as the long-term cash needs of the Company and will ensure that any such payments are in the interests of shareholders.

The method by which the Company intends to make general payments to shareholders in terms of a general authority and the date on which such payments will take place has not yet been determined.

Special resolutions

To consider and if deemed fit, pass, the undermentioned Special Resolutions Numbers 1 to 3, with or without modification. In order to be adopted these resolutions require the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting:

1. Special Resolution Number One

FINANCIAL ASSISTANCE

To authorise the Board, in accordance with section 45(2) and 45(3) of the Companies Act, Act 71 of 2008, it is hereby resolved that the Board be and is hereby authorised to provide direct or indirect financial assistance to a Director or prescribed officer of the Company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company, corporation, Director, prescribed officer or member, subject to subsections (3) and (4) of the Companies Act and the Listings Requirements; and resolved further, in accordance with section 44(2) and 44(3) of the Companies Act, that the Board be and is hereby authorised to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any shares, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any shares of the Company or a related or interrelated company, subject to subsection (3) of the Companies Act and the Listings Requirements, provided that the Board is satisfied that immediately after providing the financial assistance in terms of sections 44 and/or 45 of the Companies Act, the Company will satisfy the solvency and liquidity tests contemplated in section 4 of the Companies Act, that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company and that the conditions or restrictions in respect of the granting of the financial assistance which may be set out in the MOI have been satisfied.

2. Special Resolution Number Two

GENERAL AUTHORITY TO REPURCHASE SHARES

To authorise the Company (or one of its subsidiaries) to repurchase or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the Directors of the Company may from time to time determine, but subject always to the provisions of sections 46 and 48 of the Act, the Listings Requirements and the following limitations:

2.1 that the repurchase of shares be effected through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);

2.2 that this authority shall not extend beyond 15 (fifteen) months from the date of this resolution or the date of the next AGM, whichever is the earlier date;

2.3 that authorisation thereto is given by the Company's MOI;

2.4 that an announcement be made giving such details as may be required in terms of the Listings Requirements when the Company (or a subsidiary or subsidiaries collectively) has cumulatively repurchased 3% (three percent) of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter;

2.5 at any one time, the Company (or any subsidiary) may only appoint one agent to effect any repurchase on behalf of the Company or any subsidiary (as the case may be);

2.6 the repurchase of shares by the Company or its subsidiaries will not take place during a prohibited period as defined by the Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation), and this programme has been submitted to the JSE in writing. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to commencement of the prohibited period to execute the repurchase programme submitted to the JSE;

2.7 the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 10% (ten percent) of the Company's issued share capital at the time this authority is given, provided that a subsidiary of the Company (or subsidiaries of the Company collectively) shall not hold in excess of 10% (ten percent) of the number of shares issued by the Company;

2.8 the repurchase of shares may not be made at a price greater than 10% (ten percent) above the weighted average traded price of the market value of the shares as determined over the 5 (five) business days immediately preceding the date on which the transaction was effected; and

2.9 prior to entering the market to proceed with the repurchase, the Board shall have passed a resolution that it has authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity tests as set out in section 4 of the Act and confirming that, since the tests were performed, there had been no material changes to the financial position of the Group.

The reason for this special resolution is, and the effect thereof will be, to grant, in terms of the provisions of the Act and the Listings Requirements, and subject to the terms and conditions embodied in the said special resolution, a general authority to the Directors to approve the acquisition by the Company of its own shares, or by a subsidiary (or subsidiaries) of the Company of the Company's shares, which authority shall be used by the Directors at their discretion during the course of the period so authorised.

DISCLOSURES REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS

In terms of the Listings Requirements, the following disclosures are required with reference to the repurchase of the Company's shares as set out in Special Resolution Number 2 above:

STATEMENT OF DIRECTORS

As at the date of this report, the Company's Directors undertake that, after considering the effect of the maximum repurchase permitted, they will not implement any such repurchase unless the provisions of sections 4 and 48 of the Act will be complied with and for a period of 12 (twelve) months after such general repurchase:

(i) the Company and the Group will be able, in the ordinary course of business, to pay its debts;

(ii) the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, recognised and measured in accordance with International Financial Reporting Standards;

(iii) the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes;

(iv) the working capital resources of the Company and the Group will be adequate for ordinary business purposes; and

(v) the Company and the Group have complied with the applicable provisions of the Act and the Listings Requirements.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all information required by law and the Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in this report, there have been no material changes in the affairs, financial or trading position of the Group since the signature date of this report and the posting date thereof.

The following further disclosures required in terms of the Listings Requirements are set out in accordance with the reference pages in this document of which this notice forms part:

- Major shareholders of the Company (refer to pages 42 and 43 of this document).
- Share capital (refer to note 7 on page 27 of this document).

3. Special Resolution Number Three

AUTHORITY TO PAY NON-EXECUTIVE DIRECTORS' FEES

That the Non-Executive Directors' fees paid for the period ended 31 March 2019 as set out on page 38 of this report, be and are hereby approved.

Further, that the Non-Executive Directors' fees payable for the period 1 April 2019 to 31 March 2020 be and are hereby approved:

Rand	2020	2019
Director		
Tony Taylor (Chairman)	208 800	194 400
Cheree Dyers	174 000	162 000
Herman Steyn	174 000	162 000
Arthur Winkler	174 000	162 000

Additional fees are paid per meeting to Non-Executive Directors for meeting attendances as follows:

Rand	2020	2019
Board meetings	11 500	10 750
Audit and Risk Committee	6 000	5 500
Nominations and Remuneration Committee	6 000	5 500
Social and Ethics Committee	6 000	5 500

The reason for this special resolution is, and the effect thereof will be, to grant the Company the authority to pay fees to Non-Executive Directors for their services as Directors in terms of section 66 of the Companies Act. Furthermore, in terms of the Act and the King IV Report on Governance for South Africa, remuneration payable to Non-Executive Directors should be approved by shareholders in advance or within the previous two years.

To transact such other business (if any) as may be transacted at an annual general meeting

ENTITLEMENT TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IN PERSON OR BY PROXY

- Equity securities held by a share trust or scheme will not have their votes at the AGM taken into account for the purposes of resolutions passed in terms of the Listing Requirements.
- Unlisted securities (if applicable) and shares held as treasury shares may not vote.

CERTIFICATED AND DEMATERIALISED SHAREHOLDERS WITH "OWN NAME" REGISTRATION

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote in his/her place. The proxy need not be a member of the Company. Proxy forms may be presented any time prior to or at the AGM and also at the Company's registered office, or the Company's transfer secretaries. Should proxy forms be presented at the Company's transfer secretaries these must be completed and received at least 48 (forty-eight) hours before the commencement of the AGM (excluding weekends and public holidays). Presentation of suitable identification by the proxy when registering his/her attendance on the day of the AGM will be required.

DEMATERIALISED SHAREHOLDERS, OTHER THAN WITH "OWN NAME" REGISTRATION

Shareholders who have already dematerialised their shares other than with "own name" registration, must advise their Central Securities Depository Participant (CSDP) or broker of their voting instructions if they are unable to attend the AGM but wish to be represented thereat. This should be done by the cut-off time stipulated by their CSDP or broker. If, however, such members wish to attend the AGM in person, then they will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP or broker.

PARTICIPATION IN THE MEETING

The Board has determined the following salient dates in respect of the AGM:

Record date to receive the Notice of the Annual General Meeting	Friday, 28 June 2019
Date of posting the Notice of Annual General Meeting	Friday, 5 July 2019
Last date to trade to be eligible to vote	Tuesday, 23 July 2019
Record date to be eligible to attend, participate and vote at the Annual General Meeting	Friday, 26 July 2019
For administrative purposes, preferable date by which forms of proxy for the Annual General Meeting are requested to be lodged, by 10:00 on	Wednesday, 31 July 2019
Annual General Meeting at 10:00	Friday, 2 August 2019
Results of Annual General Meeting published on SENS on	Friday, 2 August 2019

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairman of the AGM if they are not known to the Chairman and must accordingly bring a copy of their identity document, passport or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

This Notice of Annual General Meeting includes the attached proxy form.

SHAREHOLDER RIGHTS

In terms of section 58 of the Companies Act, shareholders have rights to be represented by proxy as herewith stated.

1. At any time, a shareholder of the Company may appoint any individual, including an individual who is not a shareholder of the Company, as a proxy to:
   (a) participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder; or
   (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.

   Provided that the shareholder may appoint more than one proxy to exercise voting rights attached to different shares held by the shareholder.

2. A proxy appointment:
   (a) must be in writing, dated and signed by the shareholder; and
   (b) remains valid for:
      (i) one year after the date on which it was signed; or
      (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).

3. Except to the extent that the Memorandum of Incorporation of the Company provides otherwise:
   (a) a shareholder of the Company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
   (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
   (c) a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint a proxy:
   (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
   (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
   (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
      (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
      (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.

5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
   (a) the date stated in the revocation instrument, if any; or
   (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
6. If the instrument appointing a proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by this Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must be delivered by the Company to:
   (a) the shareholder; or
   (b) the proxy or proxies, if the shareholder has
      (i) directed the Company to do so, in writing; and
      (ii) paid any reasonable fee charged by the Company for doing so.
7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
8. If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument for appointing a proxy:
   (a) the invitation must be sent to every shareholder which is entitled to notice of the meeting at which the proxy is intended to be exercised;
   (b) the invitation, or form of instrument supplied by the Company for the purpose of appointing a proxy, must:
      (i) bear a reasonably prominent summary of the rights established by this section;
      (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
      (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
   (c) the Company must not require that the proxy appointment be made irrevocable; and
   (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
9. Subsection (8)(b) and (d) does not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder.

By order of the Board

Bianca Pieters
Company Secretary

Cape Town
28 June 2018

SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

Introduction

Shareholders are advised that the Integrated Annual Report for the year ended 31 March 2019 and the Notice of Annual General Meeting (AGM) will be dispatched to shareholders on Friday, 5 July 2019.

In addition, the Integrated Annual Report, which includes the notice of AGM, together with the Audited Consolidated Annual Financial Statements will also be available on the Company's website - www.pbtgroup.co.za from Friday, 5 July 2019.

Copies of the Integrated Annual Report and the Audited Consolidated Annual Financial Statements will also be available at the Company's registered office or on request from the Company Secretary from Friday, 5 July 2019.

Audit opinion

This summarised report is extracted from audited information, but is not itself audited. The financial statements from which these results were extracted were audited by BDO Cape Inc and their unmodified opinion is included in the Annual Financial Statements and will be available for inspection at the Company's registered office from Friday, 5 July 2019. The Directors take full responsibility for the preparation of this summarised report and confirm that the financial information has been correctly extracted from the underlying annual financial statements.

Notice of AGM

Notice is hereby given that the next AGM of the shareholders of the Company will be held in the boardroom at 10:00 on Friday, 2 August 2019 at PBT House, 2 Mews Close, Waterford Mews, Century City, Cape Town, to consider and, if deemed fit, to pass with or without modification all of the ordinary and special resolutions set out in the notice of AGM attached to the Integrated Annual Report.

Friday, 28 June 2019
Record date to receive the Notice of the Annual General Meeting

Friday, 5 July 2019
Date of posting the Notice of Annual General Meeting

Tuesday, 23 July 2019
Last date to trade to be eligible to vote

Friday, 26 July 2019
Record date to be eligible to attend, participate and vote at the Annual General Meeting

Wednesday, 31 July 2019
For administrative purposes, preferable date by which forms of proxy for the Annual General Meeting are requested to be lodged, by 10:00

Friday, 2 August 2019
Annual General Meeting at 10:00

Friday, 2 August 2019
Results of Annual General Meeting published on SENS

Business activities and Group results

During the period under review PBT Group disposed of Prescient Capital, which does not form part of the Group's core operations. A Supplementary Circular was posted to shareholders on 28 August 2018 and the transaction was approved by shareholders at the General Meeting held on 28 September 2018.

The income and expenses associated with Prescient Capital are disclosed as a profit from discontinued operations in the audited consolidated statement of profit or loss and other comprehensive income (loss from discontinued operations for the comparative period).

The earnings per share and headline earnings per share have been reflected as a split between continuing and discontinued operations.

- Total profit after tax from continuing operations for the period was R33.7 million (March 2018: loss of R139.4 million).
- The profit before tax from continuing operations for the period was R50.8 million (March 2018: loss of R117.4 million).
- Headline earnings per share was 19.17 cents per share (March 2018: loss of 15.49 cents per share, post 1-for-10 share consolidation).
- Headline earnings per share for continuing operations was 18.18 cents per share (March 2018: loss of 13.5 cents per share, post 1-for-10 share consolidation).
- Headline earnings per share for discontinued operations was 0.99 cent per share (March 2018: loss of 1.99 cents per share, post 1-for-10 share consolidation).
- Earnings per share was 25.32 cents per share (March 2018: loss of 125.48 cents per share, post 1-for-10 share consolidation).
- Earnings per share for continuing operations was 17.97 cents per share (March 2018: loss of 97.28 cents per share, post 1-for-10 share consolidation).
- Earnings per share for discontinued operations was 7.35 cents per share (March 2018: loss of 28.20 cents per share, post 1-for-10 share consolidation).

On 2 November 2018 a 1-for-10 consolidation of the authorised and issued share capital of PBT Group Limited became effective. The weighted average number of shares in issue for the 12 months ended 31 March 2019 was 124 063 076 (March 2018: 149 920 549 post 1-for-10 share consolidation).

South Africa and Australia

During the period under review PBT Group successfully completed the exit of the Middle East/Africa (MEA) operations and no longer reports on it as a separate segment of the business. We are pleased to report that this highly risky exercise has been completed with minimal financial damage. In addition, our reputation as employer of choice remains intact as we succeeded to redeploy most of the affected staff to alternative clients.

Despite this disruption and MEA's revenue decreasing from R80 958 224 to R41 132 560, consolidated revenue increased from R556 093 567 to R588 414 409. This confirms the underlying growth in demand for our services.

The operations in Australia remain subdued with revenue 10% lower than the 2018 financial year at AUD6 000 743.

We are pleased to report increased momentum in our expansion into the United Kingdom and Europe (including Ireland). A number of strategic partnerships have been formed with satisfactory client engagements resulting therefrom.

Business model

Since PBT Group's inception it has focused exclusively on the data management market and, as a result, it finds itself ideally positioned to maximise the current and future potential revenue from this sector.

Our view on this remains relevant and we are optimistic about our positioning within this industry sector. Our future prospects, as per the below, merely reflects some minor adjustments, yet very much aligned with the intended strategic direction.

PBT Group's early decision to focus on data management was a calculated risk that was taken as a result of experience and the foresight that data management will consistently outperform the growth figures compared to the rest of the Information and Communication Technology (ICT) sector. The focused approach has resulted in PBT Group acquiring and retaining highly specialised skills in the professional services field of data. With more than 550 consultants, PBT Group has the capability to successfully service the end-to-end data management landscape.

The explosion in the volume of data created in organisations on a daily basis necessitates the extraction of information to remain competitive. We have been experiencing sustained and growing demand for our services in this field over a 20-year period and all indications are that this trend will continue, especially demand in the financial services sector. Our application development services are also in high demand and are growing at a sustainable pace. The worldwide shortage of skills creates opportunities, but is also a constraint as access to these skills is limited. Our client base is of very high quality and is still expanding in a controlled manner.

PBT Group has a solid business strategy that allows for rapid change without compromising on the quality of the service that is delivered to its clients. The strategic objectives that underpin PBT Group's ongoing success are:

Be technology agnostic

In a market of consolidation and technical overload, the decision to be technology agnostic has proven to be the right one. Not only does it ensure that PBT Group is trusted by its clients as an objective partner, but it also allows for the consultant adjustment of its technology focus based on what it views as the best of breed, without the pressure from technology vendors to stay loyal to a brand that might no longer be delivering on client expectations. At the same time, it also allows for successful exposure to all industries.

Specialise in data

Connectivity is the number one reason for an explosion in data. It started off with the internet but has truly gained momentum with the introduction of social media, mobile and Internet of Things (IoT) (millions of devices, from cars to fridges, are connected and continuously generate petabytes of data). Data has therefore become central to every single aspect of running a business, from recruitment to procurement, from finance to strategy to planning. Client engagement and retention is no longer possible without near real-time access to data. The ongoing evolvement of technology enables the harnessing of big data and significant progression in more advanced analytical techniques resulting in artificial intelligence (AI). AI, when applied effectively, in turn is transforming and disrupting many industries. However, at the heart of it all is data, and this will not change in the foreseeable future. PBT Group acquired the skills and has the experience to capitalise on this by successfully transforming data into business value for its clients. The latter forms a core component of our business, namely data engineering.

Worldwide expansion

The skills that PBT Group acquired and developed over the last two decades are of world-class standards. This presented an opportunity to compete internationally. PBT Group has been operating successfully and profitably in Australia since 2005 and established a fully-fledged operation in Melbourne in 2008. In the MEA region PBT Group followed the MTN footprint across 22 countries. Although this unit is no longer a focus area for PBT Group, the use case of this venture reflects a unique and significant achievement and the associated experiences and learnings will remain an important intellectual asset. Technological advancement has paved the way for the exporting of our skills. During 2018 a small-scale operation was established in the United Kingdom, from where we will continue to expand our services in this market. Our offices based in Utrecht, Netherlands, also established in 2018, has since been strengthened significantly by the deployment of a strong pre-sales technical component supporting and enabling the opportunities mentioned below. From here we will continue to serve and expand on our European client base.

Big data

The term big data originated from the accessibility to unstructured data, in an attempt to differentiate it from other/structured data. Big data is, however, becoming the norm rather than the exception and it might soon become "just data" again. A large component of PBT Group's consulting base has been part of the industry that gave rise to the term big data. The telecommunication companies were the first to generate millions of records of data every second. The social media phenomenon opened the door for petabytes of unstructured data in the form of videos, pictures and text to be uploaded continuously. They were also the first to realise the potential of analysing this data. Connectivity is what defined big data. Being part of this process allowed PBT Group to gain valuable experience and is assisting greatly in all current big data initiatives.

Cloud

With the advent of big data the move to cloud was inevitable. More and more data required scalable infrastructure which was not financially viable within a decentralised model. Cloud allows businesses to focus on core differentiators whilst being able to outsource standard components and availing infrastructure in a short period of time. PBT Group has aligned itself with all the cloud players and is, at the same time, exploring providing analytics as a service in the cloud.

Business analytics

The ultimate objective of obtaining, cleaning and structuring data is to analyse it in a way that provides actionable insight that can drive an increase in bottom line returns for companies. PBT Group has a solid understanding of this concept and has aligned itself with developing technologies in this space. These include, but are not limited to, advanced analytics, machine learning, cognitive computing, data lakes and geographical information systems.

Train and mentor potential candidates

PBT Group connected two components that are very specific to the South African market, namely skill shortage and empowerment, and devised a programme in 2004 that has seen hundreds of eager youngsters being skilled up and successfully deployed in the industry as business intelligence consultants and analysts. The success of this programme is unprecedented and the talent that has been uncovered has been tremendous. The programme has no equal in the market and the quality of the resulting skills are world-class.

Best-of-breed methodologies

Even though PBT Group has remained technology agnostic, it is constantly aligning itself with best-of-breed methodologies. PBT Group has established competency centres within the Company that refine methodologies such as Ralph Kimball, third normal form, hybrid and agile continuously, to ensure that it remains relevant with new developments in the market.

PBT Group provides leadership in the data management space and has positioned itself well to meet, or even exceed, the growth potential that is projected for this sector. It has shown consistent growth through tough economic times, because it proactively adjusted its strategy to cater for challenges and to benefit from an extremely volatile market.

Governance

PBT Group remains committed to sound corporate governance principles, including integrity, transparency and accountability, and we subscribe to the Code of Corporate Practices and Conduct as set out in King IV.

Dividend

Biannually, the Directors consider the payment of a dividend, considering prevailing circumstances and future cash and capital requirements of the Group in order to determine the appropriate dividend in respect of a particular financial reporting period.

No dividend from normal commercial operations has been declared for the year ended 31 March 2019. However, we are optimistic that dividend payouts will resume from the next reporting cycle as a result of improved operating conditions.

Acknowledgements

We would like to take this opportunity to sincerely thank our clients for their continuing support, our staff, management and our Board of Directors for their hard work and input to bring our business back to normality during the 2019 financial year.

Pierre de Wet
Chief Executive Officer

Tony Taylor
Chairman

SUMMARISED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

Rand	Notes	GROUP 2019	2018
ASSETS			
Non-current assets			
Property, plant and equipment		4 247 142	6 030 533
Goodwill	3	135 666 420	135 666 420
Intangible assets		244 626	675 082
Loans receivable	4	6 458 606	–
Investments at fair value	5	26 868 915	–
Other financial assets	4, 5	–	25 785 812
Deferred tax		2 891 191	2 139 120
		176 376 900	170 296 967
Current assets			
Loans receivable	4	1 295 275	–
Trade and other receivables		112 075 437	91 270 083
Current tax receivable		521 042	1 815 649
Other financial assets	4, 5	–	3 206 276
Cash and cash equivalents		31 079 809	34 202 850
		144 971 563	130 494 858
Non-current assets held for sale and assets of disposal group	6	–	57 120 959
Total assets		321 348 463	357 912 784
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of parent			
Share capital	7	3 490 921	65 358 941
Reserves		5 482 400	12 909 171
Retained income		247 931 820	221 403 368
		256 905 141	299 671 480
Non-controlling interest		13 854 001	6 915 887
Total equity		270 759 142	306 587 367
Liabilities			
Non-current liabilities			
Deferred tax		1 615 464	183 984
Current liabilities			
Trade and other payables		37 699 855	34 058 359
Current tax payable		2 777 895	1 774 418
Payroll-related accruals		8 396 227	8 584 433
Bank overdraft		99 880	152 191
		48 973 857	44 569 401
Liabilities of disposal group	6	–	6 572 032
Total liabilities		50 589 321	51 325 417
Total equity and liabilities		321 348 463	357 912 784

SUMMARISED AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2019

		GROUP	
Rand	Notes	2019	2018
Continuing operations			
Revenue	9	588 414 409	556 093 567
Cost of sales		(440 865 367)	(457 972 710)
Gross profit		147 549 042	98 120 857
Other income		1 272 869	2 756 748
Other operating (losses)/gains		(497 750)	57 313
Movement in credit loss allowances		4 752 726	–
Gain/(loss) on exchange differences		1 152 300	(4 408 936)
Impairment loss		(38 367)	(127 040 905)
Other operating expenses		(106 048 629)	(87 680 084)
Operating profit/(loss)		48 142 191	(118 195 007)
Investment income		3 812 254	6 035 269
Finance costs		(1 208 747)	(5 190 937)
Profit/(loss) before taxation		50 745 698	(117 350 675)
Taxation		(17 097 985)	(22 018 328)
Profit/(loss) from continuing operations		33 647 713	(139 369 003)
Discontinued operations			
Profit/(loss) from discontinued operations	6	9 113 855	(42 280 605)
Profit/(loss) for the year		42 761 568	(181 649 608)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on valuation of investments in equity instruments		470 363	–
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		(7 929 281)	193 591
Other comprehensive (loss)/income for the year net of taxation		(7 458 918)	193 591
Total comprehensive income/(loss) for the year		35 302 650	(181 456 017)
Profit/(loss) attributable to:			
Owners of the parent			
From continuing operations		22 299 599	(145 835 399)
From discontinued operations		9 113 855	(42 280 605)
		31 413 454	(188 116 004)
Non-controlling interest			
From continuing operations		11 348 114	6 466 396
		42 761 568	(181 649 608)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		23 954 536	(187 922 413)
Non-controlling interest		11 348 114	6 466 396
		35 302 650	(181 456 017)
Earnings per share (cents)			
From continuing operations			
Basic earnings/(loss) per share	12	17.97	(97.28)
Diluted earnings/(loss) per share	12	17.97	(97.28)
From discontinued operations			
Basic earnings/(loss) per share	12	7.35	(28.20)
Diluted earnings/(loss) per share	12	7.35	(28.20)

SUMMARISED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

Rand	Notes	Share capital	Foreign currency translation reserve	Share-based payment reserve
GROUP				
Balance at 1 April 2017		136 698 640	12 715 580	–
Loss for the year		–	–	–
Other comprehensive income		–	193 591	–
Total comprehensive loss for the year		–	193 591	–
Capital distribution		(26 209 633)	–	–
Purchase of own shares		(45 130 066)	–	–
Loss of control		–	–	–
Dividends		–	–	–
Change in ownership		–	–	–
Total contributions by and distributions to owners of Company recognised directly in equity		(71 339 699)	–	–
Opening balance as previously reported		65 358 941	12 909 171	–
Change in accounting policy	2	–	–	–
Balance at 1 April 2018 as restated		65 358 941	12 909 171	–
Profit for the year		–	–	–
Other comprehensive income		–	(7 929 281)	–
Total comprehensive income for the year		–	(7 929 281)	–
Shares repurchased from dissenting shareholders		(3 343 931)	–	–
Specific repurchase of shares		(42 708 858)	–	–
Share-based payment shares included as treasury shares	8	(16 500 000)	–	–
Dividend		–	–	–
Share-based payment		–	–	32 147
Adjustment to share capital following the discontinued operations		684 769	–	–
Total contributions by and distributions to owners of Company recognised directly in equity		(61 868 020)	–	32 147
Balance at 31 March 2019		3 490 921	4 979 890	32 147

Revaluation reserve	Total reserves	Retained income	Total attributable to equity holders of the Group/ Company	Non-controlling interest	Total equity
–	12 715 580	409 519 372	558 933 592	12 434 173	571 367 765
–	–	(188 116 004)	(188 116 004)	6 466 396	(181 649 608)
–	193 591	–	193 591	–	193 591
–	193 591	(188 116 004)	(187 922 413)	6 466 396	(181 456 017)
–	–	–	(26 209 633)	–	(26 209 633)
–	–	–	(45 130 066)	–	(45 130 066)
–	–	–	–	(2 913 149)	(2 913 149)
–	–	–	–	(9 065 000)	(9 065 000)
–	–	–	–	(6 533)	(6 533)
–	–	–	(71 339 699)	(11 984 682)	(83 324 381)
–	12 909 171	221 403 368	299 671 480	6 915 887	306 587 367
–	–	(4 692 998)	(4 692 998)	–	(4 692 998)
–	12 909 171	216 518 366	294 786 478	6 915 887	301 702 365
–	–	31 413 454	31 413 454	11 348 114	42 761 568
470 363	(7 458 918)	–	(7 458 918)	–	(7 458 918)
470 363	(7 458 918)	31 413 454	23 954 536	11 348 114	35 302 650
–	–	–	(3 343 931)	–	(3 343 931)
–	–	–	(42 708 858)	–	(42 708 858)
–	–	–	(16 500 000)	–	(16 500 000)
–	–	–	–	(4 410 000)	(4 410 000)
–	32 147	–	32 147	–	32 147
–	–	–	684 769	–	684 769
–	32 147	–	(61 835 873)	(4 410 000)	(66 245 873)
470 363	5 482 400	247 931 820	256 905 141	13 854 001	270 759 142

SUMMARISED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

Rand	Notes	GROUP 2019	2018
Cash flows from operating activities			
Cash generated from operations		36 526 175	100 372 338
Interest income		3 812 254	4 166 997
Dividend income		–	1 868 272
Finance costs		(1 208 747)	(5 190 937)
Tax paid		(13 637 077)	(30 059 131)
Cash flows of held-for-sale/discontinued operations		1 089 358	–
Net cash from operating activities		26 581 963	71 157 539
Cash flows from investing activities			
Purchase of property, plant and equipment		(1 144 278)	(2 017 105)
Sale of property, plant and equipment		77 477	339 574
Purchase of intangible assets		(304 255)	(273 046)
Loans receivable advanced		(2 732 215)	(1 941 000)
Sale of financial assets		–	5 970 405
Net cash flows of discontinued operations		(937 176)	–
Net cash from investing activities		(5 040 447)	2 078 828
Cash flows from financing activities			
Share-based payment advance	7	(16 500 000)	–
Reduction of share capital	7	–	(26 209 633)
Shares repurchased from dissenting shareholders		(3 343 931)	–
Dividend paid to non-controlling interests		(4 410 000)	–
Repayment of other financial liabilities		–	(35 000 000)
Net cash flows of discontinued operations		(351 378)	–
Acquisition of shares		–	(8 053 481)
Net cash from financing activities		(24 605 309)	(69 263 114)
Total cash movement for the year		(3 063 793)	3 973 253
Cash at the beginning of the year		34 050 659	30 090 060
Effect of exchange rate movement on cash balances		(6 937)	(12 654)
Total cash at the end of the year		30 979 929	34 050 659

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

1. Statement of compliance

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), the JSE Listings 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, Act 71 of 2008 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 Rand, which is the Group's functional currency.

These accounting policies are consistent with the previous period, except for the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers which replaced IAS 39 Financial Instruments: Recognition and Measurement and IAS 18 Revenue, respectively.

Judgements and estimates

The preparation of consolidated annual financial statements in conformity with IFRS requires management, from time to time, 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

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Loan granted to BEE company

The accounting of the loan advanced to Spalding Investments 10 Proprietary Limited, taking into account the terms of the shareholders' agreement and the preference share agreement, required judgement and resulted in a conclusion that the loan should be presented as treasury shares.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

The historical credit loss rates for trade receivables and loans receivable have been very low and management has made the judgement, taking into account forward-looking indicators, that the expected credit loss rates will continue to be at similarly low levels.

Fair value estimation

Investments of the Group are either measured at fair value or disclosure is made of their fair values.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted).
- Level 2: Observable direct or indirect inputs other than Level 1 inputs.
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Impairment testing – goodwill

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.

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS **[CONTINUED]**

for the year ended 31 March 2019

The following assumptions were utilised:

Pre-tax discount rate: 16.4% (2018: 19.05%)
Terminal growth rate: 5.5% (2018: 3.00%)
Number of years: 4 years (2018: 5 years)

No reasonable possible change is expected in a key assumption used in the value-in-use calculation that would change the value in use to be lower than the carrying value of goodwill.

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.

The deferred tax assets (arising mainly from assessed losses) in two subsidiaries of the Group were not recognised in neither the current nor prior year as management does not anticipate that there will be taxable income in either of these entities in the forseeable future.

Subsequent events
The Directors are not aware of any matter or circumstance arising since the end of its financial year that materially affects the results of the Group for the year ended 31 March 2019 or the financial position as at that date.

2. Changes in accounting policy

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 Financial Instruments
In the current year the Group has applied IFRS 9 Financial Instruments (IFRS 9) (as revised in July 2014) and the related consequential amendments to other IFRS. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement (IAS 39) and introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment for financial assets and general hedge accounting. Details of these new requirements as well as their impact on the Group's financial statements are described below.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets
The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 April 2018. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. Comparatives in relation to instruments that have not been derecognised as at 1 April 2018 have not been restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 April 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

- amortised cost;
- fair value through other comprehensive income equity instrument; and
- fair value through profit or loss (FVPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The Directors reviewed and assessed the Group's existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date.

The following tables show the adjustments recognised in opening retained income on adoption of IFRS 9, for each line item of the financial statements affected:

	Notes	Adjustments	31 March 2018 As originally presented	IFRS 9	1 April 2018 As restated
GROUP					
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets					
Property, plant and equipment			6 030 533	–	6 030 533
Goodwill			135 666 420	–	135 666 420
Intangible assets			675 082	–	675 082
Other financial assets		(a), (b)	25 785 812	(86 145)	25 699 667
Deferred tax		(c)	2 139 120	675 416	2 814 536
			170 296 967	589 271	170 886 238
Current assets					
Trade and other receivables		(a)	91 270 083	(5 282 269)	85 987 814
Other financial assets			3 206 276	–	3 206 276
Current tax receivable			1 815 649	–	1 815 649
Cash and cash equivalents			34 202 850	–	34 202 850
			130 494 858	(5 282 269)	125 212 589
Non-current assets held for sale and assets of disposal group			57 120 959	–	57 120 959
Total assets			357 912 784	(4 692 998)	353 219 786
EQUITY AND LIABILITIES					
Equity					
Equity attributable to equity holders of the parent					
Share capital	11		65 358 941	–	65 358 941
Reserves	11		12 909 171	–	12 909 171
Retained earnings		(a), (c)	221 403 368	(4 692 998)	216 710 370
			299 671 480	(4 692 998)	294 978 482
Non-controlling interest			6 915 887	–	6 915 887
			306 587 367	(4 692 998)	301 894 369
Liabilities					
Non-current liabilities					
Deferred tax			183 984	–	183 984
Current liabilities					
Trade and other payables			34 058 359	–	34 058 359
Current tax payable			1 774 418	–	1 774 418
Payroll-related accruals			8 584 433	–	8 584 433
Bank overdraft			152 191	–	152 191
			44 569 401	–	44 569 401
Liabilities of disposal group			6 572 032	–	6 572 032
Total liabilities			51 325 417	–	51 325 417
Total equity and liabilities			357 912 784	(4 692 998)	353 219 786

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2019

The nature of the adjustments resulting from the adoption of IFRS 9 Financial Instruments are described below:

IFRS 9 replace IAS 39 Financial Instruments: Recognition and Measurement (IAS 39), and has had a significant effect on the Group in the following areas:

(a) The Group applied the expected credit loss model when calculating impairment losses on its financial assets measured at amortised costs (such as trade and other receivables and loans and receivables included in other financial assets (both current and non-current)). This resulted in increased impairment provisions and greater judgement due to the need to factor in forward-looking information when estimating the appropriate amount of provisions. In applying IFRS 9 the Group considered the probability of a default occurring over the contractual life of its trade receivables and loans and receivables included in other financial asset balances on initial recognition of those assets. Under the existing incurred loss model each trade and other receivable and loans and receivables included in other financial asset was assessed individually to determined if a loss has incurred. The bad debts for the Group recognised was R235 437. Under the new model applied to all trade and other receivables and loans and receivables included in other financial assets these amounts for the Group increased to R5 282 269 and R86 145, respectively as at 1 April 2018 based on the 31 March 2018 figures and was accounted for directly in retained earnings.

(b) Included in other financial assets are two investments that was previously accounted at cost. With the application of IFRS 9 the categories changed for each of the investments. The investment in All Claims Proprietary Limited is now classified as at fair value through profit or loss (FVPL) and the investment in Zuuse Limited (previously Progressclaim.com Limited) is now classified as at fair value through other comprehensive income. This has resulted in a change in the measurement basis.

(c) The expected credit loss allowance balances gave rise to deductible temporary differences and the recognition of a deferred tax asset. The income statement deferred tax credit has been accounted for directly in retained earnings.

The Group has chosen not to restate comparatives on adoption of IFRS 9 and, therefore, these changes have been processed at the date of initial recognition (i.e. 1 April 2018), and presented in the statement of changes in equity.

Application of IFRS 15 Revenue from Contracts with Customers
In the current year the Group has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRS. IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue as well as various interpretations previously issued by the IFRS Interpretations Committee.

IFRS 15 introduces a five-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the Group financial statements are described below. Refer to the revenue accounting policy for additional details.

The Group has applied IFRS 15 with an initial date of application of 1 April 2018 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 April 2018. The comparative information has therefore not been restated.

Under IAS 18 Revenue, the Group recognised revenue on an invoice basis, with the amount of revenue recognised being dependent on the contract type. Project revenue was recognised as revenue upon completion of each milestone.

Under IFRS 15 Revenue from Contracts with Customers, management has elected to apply the practical expedient available in paragraph B16 for all applicable contract types. As such, the manner of revenue recognition has not changed from the method applied under IAS 18.

Therefore there has been no change in the revenue amount recognised for the prior year and consequently there is no cumulative adjustment required.

3. Goodwill

Rand	2019 Cost	2019 Accumulated impairment	2019 Carrying value	2018 Cost	2018 Accumulated impairment	2018 Carrying value
GROUP						
Goodwill	285 572 420	(149 906 000)	135 666 420	285 572 420	(149 906 000)	135 666 420

Reconciliation of goodwill

Rand	2019 Opening balance	2019 Impairment loss	2019 Total	2018 Opening balance	2018 Impairment loss	2018 Total
GROUP						
Goodwill	135 666 420	–	135 666 420	253 927 313	(118 260 893)	135 666 420

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, was disposed of by the Group, leaving the PBT Group of companies and Prescient Capital Group of companies. PBT Group comprises IT services. 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 CGUs. 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 the exit of the Middle East/Africa business. A steady and prudent revenue growth rate was used and was calculated over a period of four years.

The discount rate (based on the weighted cost of capital for the Group) used to calculate the value-in-use figure is 16.4% (2018: 19%) and the terminal growth rate 5.5% (2018: 3%).

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. During the 2018 financial year the goodwill figure was impaired from R253.9 million to R135.7 million in accordance with a Directors' calculation. For the 2019 financial year the goodwill figure has not been impaired as the recoverable amount was considerably higher than the goodwill figure.

No reasonable possible change is expected in a key assumption used in the value-in-use calculation that would change the value in use to be lower than the carrying value of goodwill.

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for the year ended 31 March 2019

4. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

Rand	GROUP 2019	2018
PBT Insurance Technologies Employees The unsecured loan bears interest at prime minus 2% and has no fixed terms of repayment. No capital repayments are required in the next 12 months.	4 723 230	1 508 907
Enterprise development loans The unsecured loan bears no interest and has no fixed terms of repayment. No capital repayments are required in the next 12 months.	2 537 400	1 840 000
Bonds	493 251	432 787
Other loans and receivables The unsecured loan bears interest at prime and has been repaid in the current year.	–	1 366 276
	7 753 881	5 147 970
Split between non-current and current portions		
Non-current assets	6 458 606	1 941 694
Current assets	1 295 275	3 206 276
	7 753 881	5 147 970
Reconciliation of loss allowances The following table shows the movement in the loss allowance (lifetime expected credit losses) for the loans and receivables:		
Opening balance in accordance with IAS 39 Financial instruments	–	–
Adjustments upon application of IFRS 9	(86 145)	–
Opening balance in accordance with IFRS 9	(86 145)	–
Increase in provisions for expected credit loss allowance	(91 619)	–
Closing balance	(177 764)	–

The prior-year figures presented in this note was classified differently according to IAS 39 Financial Instruments: Recognition and Measurement but included in this note to better present the information for comparative purposes.

5. Investments at fair value

Investments held by the Group which are measured at fair value are as follows:

Rand	GROUP 2019	2018
Equity investments at fair value through profit or loss	124 729	245 241
Equity investments at fair value through other comprehensive income	26 744 186	23 598 877
	26 868 915	23 844 118
Fair value through profit or loss		
All Claims Proprietary Limited	124 729	245 241
Equity investments at fair value through other comprehensive income		
Zuuse Limited (previously Progressclaim.com Limited)	26 744 186	23 598 877
	26 868 915	23 844 118
Split between non-current and current portions		
Non-current assets	26 868 915	23 844 118

5. Investments at fair value (continued)

Equity instruments at fair value through other comprehensive income

The investment in Zuuse Limited is not held for trading, it is held for long-term strategic purposes and has therefore been designated as at fair value through other comprehensive income. No dividends were received related to this investment in the current or prior year.

In the prior year this investment was measured at cost, although it was classified as at fair value through profit or loss. The investment was measured at cost due to the minority interest it had in a private internet-based software company which is in a growth phase and is very volatile in nature and as a result has an extremely wide valuation matrix.

In the current year this investment was measured at fair value through other comprehensive income.

IFRS 9 Financial Instruments was adopted in the current year and replaces IAS 39. This note reflects the application of IFRS 9 to the specified instruments. Prior-year figures have not been restated.

6. Discontinued operations

PBT Group successfully disposed of Prescient Capital and its subsidiaries (Prescient Capital) and shares held in Prescient Holdings Proprietary Limited (Prescient Holdings) on 28 September 2018. The necessary announcement was published on SENS for the finalisation of the transaction. The settlement of the total purchase price of R65.8 million for Prescient Capital and Prescient Holdings was settled by way of a deposit of R4.8 million and the balance was accounted for as a specific share repurchase against equity.

Also included in the Circular and Supplementary Circular released on 23 March 2018 and 28 August 2018, respectively, was a share consolidation on the basis of one ordinary share for every 10 authorised and issued ordinary shares and the cancellation of the specific repurchase received as part of the consideration. Please refer to note 7 – Share capital for the effects of the specific repurchase and share consolidation on the share capital of the Group.

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

	GROUP	
Rand	2019	2018
Results of discontinued operations		
Revenue	4 816 394	11 542 901
Other income	1 124 409	2 315 088
Foreign currency reserve released	20 723 419	–
Impairment loss	(12 842 435)	(42 848 287)
Expenses	(4 770 558)	(13 452 860)
Results from operating activities	9 051 229	(42 443 158)
Tax	62 626	162 553
Results from operating activities, net of tax	9 113 855	(42 280 605)
Gain on sale of discontinued operations	–	–
Profit/(loss) for the year	9 113 855	(42 280 605)
Earnings/(loss) per share (cents)		
Basic earnings per share	7.34	(2.82)
Diluted earnings per share	7.34	(2.82)

Profit from discontinued operations of R9.1 million (2018: loss of R42.3 million) was attributable to the owners of the Company.

The consideration for the assets disposed of is based on the sum of the cash received and the value of the underlying shares received.

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for the year ended 31 March 2019

6. Discontinued operations (continued)

Rand	GROUP 2019	2018
Carrying value of assets	60 340 731	93 397 213
Fair value of consideration received:		
Cash	4 789 488	4 789 488
Fair value of underlying shares received (305 062 917 at 14 cents per share) (2018: 305 062 917 at 15 cents per share)	42 708 808	45 759 438
	47 498 296	50 548 926
Impairment loss	12 842 435	42 848 287
Cash flows from/(used in) discontinued operations		
Net cash from operating activities	1 089 358	24 816 072
Net cash used in investing activities	(937 176)	30 404 900
Net cash from financing activities	(351 378)	(54 363 206)
Net cash flow for the year	(199 196)	857 766
Net assets disposed of during the year		
Assets disposed of during the year (2018: assets held for sale)		
Property and equipment	730 379	47 608
Investment property	29 754 662	36 428 050
Financial assets at fair value through profit or loss	19 478 737	17 776 668
Trade and other receivables	1 045 293	920 608
Long-term loans receivable	127 546	288 480
Taxation receivable	–	128 042
Cash and cash equivalents	1 259 872	1 531 504
	52 396 489	57 120 960
Liabilities sold during the year (2018: liabilities of disposal group)		
Deferred tax liability	(219 467)	(302 957)
Long-term loans payable	(3 555 621)	(5 259 536)
Trade and other payables	(1 123 106)	(1 009 540)
	(4 898 194)	(6 572 033)
Net assets and liabilities disposed of during the year (2018: held for sale)	47 498 295	50 548 927
Consideration received in cash	–	(4 789 488)
Cash and cash equivalents	–	(1 531 504)
Net cash inflow	–	(6 320 992)

7. Share capital

	GROUP	
Rand	2019	2018
Authorised		
200 000 000 ordinary shares of no par value (2018: 2 000 000 000 ordinary shares of no par value)	–	–
Reconciliation of number of shares issued		
Reported as at 1 April	1 669 250 950	1 669 250 950
Specific repurchased shares cancelled	(305 062 917)	–
Share consolidation (2 November 2018)	(1 227 769 230)	–
Fraction rate shares delisted	(54)	–
Treasury shares to be cancelled	(28 471 787)	(270 188 033)
Shares held by BEE company (Spalding Investments 10 Proprietary Limited) treated as treasury shares	(10 373 282)	–
	97 573 680	1 399 062 917
92 053 038 unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.		
Issued		
Ordinary shares of no par value	117 935 401	117 804 955
Share-based payment shares included in treasury shares	(16 500 000)	–
Treasury shares	(97 944 480)	(52 446 014)
	3 490 921	65 358 941

Transactions during the year
As part of the consideration for the disposal of the Prescient Capital Group, PBT Group received 305 062 917 PBT Group Limited shares. These shares are treated as a specific share repurchase against equity and was included in treasury shares. These shares have been cancelled and does not form part of the issued capital anymore.

As part of the Circular and Supplementary Circular released on 23 March 2018 and 28 August 2018, respectively, a share consolidation of the Company's authorised and issued share capital on a 1-for-10 basis was approved and has taken effect on 2 November 2018.

Treasury shares
The treasury shares that were previously separately disclosed are shares held by PBT Group Limited. As per section 35(5) of the Companies Act, shares that are acquired by a company have the same status as shares that have been authorised but not issued. These treasury shares that have not been cancelled are now presented net as a reduction of share capital instead of gross in an equity reserve.

BEE transaction treated as treasury shares
During February 2019 PBT Group Limited granted a loan of R16 500 000 to a BEE company in order to purchase shares in PBT Group Limited. The loan is structured as a preference share agreement and the owners of the BEE company are employees within the Group. Future dividends received through these shares will be applied to cover the preference dividends calculated at 72% of prime rate compounded six monthly. As the only security for the repayment of the loan is the underlying PBT Group Limited shares, with no recourse, the transaction is treated as the issue of an option to the BEE parties and the amount is reflected as treasury shares (deduction in equity).

Please refer to note 8 for more information on the transaction.

The loan to the BEE company was advanced by a subsidiary in the PBT Group. Therefore in the Company's accounts this was a non-cash financing transaction.

The shares that the BEE company owns are still considered to be issued and will not form part of the unissued shares under the control of the Directors. These shares are classified as treasury shares as per IFRS 2 Share-based Payments.

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2019

7. Share capital (continued)

Number of shares	GROUP 2019	2018
Treasury share movements during the year		
Reported as at 1 April 2018	270 188 033	9 871 888
Specific repurchase as per specific authority granted	305 062 917	–
Specific repurchased shares cancelled*	(305 062 917)	–
Purchased by PBT Group Limited	–	47 776 900
Purchased by subsidiary	–	2 221 178
Transfers	–	210 318 067
Share consolidation**	(243 169 229)	–
Shares purchased from dissenting shareholders in terms of section 164 of the Companies Act	1 452 983	–
Shares held by BEE company (Spalding Investments 10 Proprietary Limited) treated as treasury shares	10 373 282	–
	38 845 069	270 188 033

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

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

Other than the specific transactions mentioned above, no purchases were made during the 2019 financial year. The average purchase price per share during the 2018 financial year was 16.14 cents per share. (If the share consolidation that took place on 2 November 2018 is taken into account the average price would have been R1.61.)

During the 2018 financial year the Group made a capital reduction payment of a net amount of R26 209 633.

8. Share-based payments

During February 2019 PBT Group Limited entered into a loan agreement with a BEE company called Spalding Investments 10 Proprietary Limited (Spalding or the BEE company). A loan of R16 500 000 was advanced to the BEE company for the purpose of purchasing shares in PBT Group Limited. The owners of Spalding are employees of the PBT Group and are required to remain employed within the Group for a period of seven years in accordance with the shareholders' agreement. The loan was structured as a preference share agreement with the following key terms:

- The preference dividends are calculated in arrears at a rate of 72% of the prime rate.
- Any preference dividends not paid out on a six-monthly basis will be rolled up and accrued for repayment at a later date, the latest date being the redemption date.
- The preference shares are redeemable in three tranches, being:
  - the first 33.33% five years after issue date (February 2024);
  - the next 33.33% six years after issue date (February 2025); and
  - the final 33.33% seven years after issue date (February 2026), including any rolled up or unpaid preference dividends.
- The dividends that Spalding will receive from its investment in PBT Group Limited will be utilised to repay the preference dividends and part capital if the dividends received are in excess of the preference dividends payable.

As the only security for the repayment of the loan is the underlying PBT Group shares, with no other recourse, the transaction is treated as a share-based payment transaction under IFRS 2 and the loan is accounted for as treasury shares. The vesting period is seven years, with the only vesting condition being that the individual remains an employee of the Group over the period.

8. Share-based payments (continued)

The fair value of the share-based payment award has been calculated using share option valuation techniques on the following basis:

	Number of shares	Vesting date	Strike price	Fair value at grant date
Tranche 1	3 457 761	Feb 2024	Variable	20 cents
Tranche 2	3 457 761	Feb 2025	Variable	19 cents
Tranche 3	3 457 760	Feb 2026	Variable	14 cents
Total	10 373 282			17.66 cents*

* *Weighted average.*

The strike price has been defined as the redemption price of the preference shares with adjustments made for compounded interest payments on the preference shares, reduced by expected future PBT dividend payments in accordance with the terms of the agreement.

No options have vested or were exercised yet as the transaction was only implemented on 14 February 2019 and the first tranche vests in five years' time. The weighted average fair value of each option granted during the year was 17.66 cents.

		2019	2018
Equity settled			
Option pricing model used		Black-Scholes	Not applicable for the 2018 year
Share price at date of grant	(cents)	135	
Contractual life	(days)	1 825 – 2 555	
Volatility relative to comparator index		33.48%	
Risk-free interest rate:			
5-year maturity		8.6%	
6-year maturity		8.94%	
7-year maturity		9.24%	
Dividend growth rate relative to comparator index		6%	

The implied volatility was calculated on the stock price movement of PBT Group Limited. However, numerous anomalous events occurred that distorted the percentage and reverted to comparable companies to calculate the volume weighted average volatility.

The share-based remuneration expense comprises:

Rand	2019	2018
Equity settled	32 147	–

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2019

9. Revenue

Rand	GROUP 2019	2018
Revenue from contracts with customers		
Sale of goods	3 395 635	3 883 128
Rendering of services	585 018 774	552 210 439
	588 414 409	556 093 567

Disaggregation of revenue from contracts with customers

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict the nature, amount and timing of revenue; and
- enable users to understand the various types of counterparties that the Group provides services to.

Rand	GROUP 2019	2018
Contract type		
Fixed price contracts	121 383 350	–
Projects	24 403 240	–
Software licences	3 395 635	–
Time and material	421 969 573	–
Usage-based licences	17 262 611	–
	588 414 409	–
Contract counterparties		
Energy	13 422 800	–
Financial services	289 071 318	–
Information technology	99 958 858	–
Medical	29 656 057	–
Retail	45 010 492	–
Services	22 012 498	–
Telecommunications	89 282 386	–
	588 414 409	–
Total revenue from contracts with customers	588 414 409	–
Timing of revenue recognition		
At a point in time		
Sale of goods	3 395 635	–
Over time		
Rendering of services	585 018 774	–
Total revenue from contracts with customers	588 414 409	–

The Board has elected to apply the modified retrospective adoption method when transitioning to IFRS 15 and as such no comparative figures are required to be disclosed in this note.

10. Related parties

Relationships

Subsidiaries

BI-Blue Consulting Proprietary Limited
CyberPro Consulting Proprietary Limited
PBT Group (South Africa) Proprietary Limited
PBT Group Europe Besloten Vennootschap
PBT Group International Besloten Vennootschap
PBT Infosight Proprietary Limited
PBT Insurance Technologies Proprietary Limited
PBT Technology Services (MEA) Proprietary Limited
PBT Technology Services Proprietary Limited
PBT Technology Services Ireland Limited
Spalding Investments 10 Proprietary Limited
Stadia International British Virgin Islands
Stricklands Tetra Cape Proprietary Limited
Technique Business Intelligence Software Proprietary Limited

Members of key management and loans to staff

NA Freddy
JC du Toit
MN Engelbrecht
NJ Viljoen
W Viljoen
M Visser
HB Vosloo
H Woest

	GROUP	
Rand	2019	2018
Related party balances		
Loan accounts owing by related parties		
JC du Toit	416 343	50 338
MN Engelbrecht	329 391	–
NJ Viljoen	416 343	50 338
W Viljoen	2 445 930	1 307 542
M Visser	416 343	50 338
HB Vosloo	413 185	–
H Woest	416 343	50 338
Amounts included in trade and other receivables regarding related parties		
NA Freddy	20 786	–
Compensation to Directors and other key management		
Short-term employee benefits	27 765 511	10 065 000

A loan was advanced to Spalding Investment 10 Proprietary Limited to the amount of R16 500 000, which used the proceeds to purchase ordinary shares in PBT Group Limited. As the only security for the repayment of the loan is the underlying PBT Group shares, with no recourse, the transaction is treated as the issue of an option to the BEE parties and the loan and shares issued are not recognised. Please refer to note 8 for full details on the transaction.

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2019

11. Comparative figures

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

The effects of the reclassification are as follows:

	31 March 2018 As originally presented	Reclassification	31 March 2018 As restated
GROUP			
Statement of financial position			
Share capital[1]	117 804 955	(52 446 014)	65 358 941
Reserves[1]	(39 536 842)	52 446 014	12 909 172
Payroll-related accruals (previously provisions)[2]	6 790 383	1 794 050	8 584 433
Trade and other payables[2]	35 852 408	(1 794 050)	34 058 358

1. *Treasury shares were previously classified under reserves in the statement of financial position. These shares have now been reclassified to share capital.*
2. *The line item on the face of the statement of financial position has been renamed from provisions to payroll-related accruals. An accrual for leave pay was previously classified under trade and other payables. This amount has now been reclassified from trade and other payables to payroll-related accruals.*

12. Earnings per share

Cents	2019	2018
Basic earnings per share		
Continuing operations	17.97	(97.28)
Discontinued operations	7.35	(28.20)
Diluted earnings per share		
Continuing operations	17.97	(97.28)
Discontinued operations	7.35	(28.20)

The calculation of basic earnings per share as at 31 March 2019 was based on the profit attributable to ordinary shareholders of R31 million (2018: loss of R188.1 million) and a weighted average of ordinary shares outstanding of 124 063 076 (2018: 149 920 549).

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

	2019	2018
Weighted average number of ordinary shares		
Ordinary shares at 1 April	1 669 250 950	1 669 250 950
Share consolidation	166 925 095	166 925 095
Effect of treasury shares held	(42 521 023)	(17 004 546)
Shares held by BEE company included in treasury shares	(340 996)	–
	124 063 076	149 920 549

12. Earnings per share (continued)

Headline earnings per share

	GROUP			
	2019		2018	
Rand	Gross	Net	Gross	Net
Continuing operations				
Profit attributable to equity holders of the parent		22 299 599		(145 835 399)
Losses on disposal of assets	348 153	250 670	–	–
Impairments of assets	38 367	27 624	125 599 893	125 599 893
Headline earnings		22 577 893		(20 235 506)
Discontinued operations				
Profit attributable to equity holders of the parent		9 113 855		(42 280 605)
Restatement to fair value of discontinued operations	12 842 435	12 842 435	16 371 089	16 371 089
Release of foreign currency translation reserve to the statement of profit/loss	(20 723 419)	(20 723 419)	–	–
Change in fair value of investment property	–	–	(3 545 056)	(3 545 056)
Impairments of assets	–	–	26 477 198	26 477 198
		1 232 871		(2 977 373)

	GROUP	
Cents	2019	2018
Headline earnings per share		
Continuing operations	18.18	(13.50)
Discontinued operations	0.99	(1.99)
Diluted headline earnings per share		
Continuing operations	18.18	(13.50)
Discontinued operations	0.99	(1.99)
Distributions		
Capital reduction distribution	–	1.57

Headline earnings per share has been calculated in accordance with Circular 01/2018 issued by the South African Institute of Chartered Accountants.

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2019

13. Segment report

As a result of the exiting of services in the Middle East/Africa (MEA), management no longer considers MEA to be a reportable segment.

Furthermore, the MEA operating segment does not meet any of the quantitative threshold requirements in terms of IFRS 8 Operating Segments.

All amounts relating to the MEA have been presented in the "Other" segment in the current year.

Due to the expansion of the business into the European market, management considers Europe to be a new segment in the current year.

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

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

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses such as goodwill impairment and the effects of share-based payments.

	South Africa		Australia	
Rand	2019	2018 Restated	2019	2018
Continuing operations				
Revenues from external clients	476 915 874	404 231 382	60 041 772	64 383 335
Other income	240 903	52 325	–	272 982
Interest revenue	3 260 745	2 026 453	112 129	115 664
Cost of sales	(361 587 160)	(301 312 403)	(52 173 460)	(55 010 480)
Depreciation and amortisation	(1 403 862)	(1 774 267)	(49 918)	(516 440)
Impairments	(38 367)	(75 020)	–	–
Operating expenses	(75 314 699)	(65 569 469)	(6 071 290)	(6 866 555)
Interest expense	(852 465)	(1 785 363)	(88)	(5 078)
Income tax expense	(12 127 336)	(7 115 833)	(553 765)	(681 346)
Profit/(loss) for the year	29 093 632	28 677 807	1 305 380	1 692 083
Discontinued operations				
Revenues from external clients	–	–	–	–
Other income	–	–	–	–
Interest revenue	–	–	–	–
Foreign currency reserve released	–	–	–	–
Depreciation and amortisation	–	–	–	–
Impairments	–	–	–	–
Operating expenses	–	–	–	–
Interest expense	–	–	–	–
Income tax expense	–	–	–	–
Profit/(loss) for the year	–	–	–	–

Europe		Other		Total	
2019	2018 Restated	2019	2018 Restated	2019	2018
10 324 203	6 038 126	41 132 560	81 440 724	588 414 409	556 093 567
–	–	1 031 966	2 542 050	1 272 869	2 867 357
–	–	439 380	3 893 152	3 812 254	6 035 269
(1 315 017)	(4 180 552)	(25 789 730)	(97 469 276)	(440 865 367)	(457 972 710)
–	–	(1 779 291)	(3 011 582)	(3 233 070)	(5 302 289)
–	–	–	(1 365 992)	(38 367)	(1 441 012)
(4 258 924)	–	(17 138 499)	(14 404 005)	(102 783 412)	(86 840 028)
–	–	(356 193)	(3 400 496)	(1 208 747)	(5 190 937)
(38 713)	–	(4 378 171)	(14 221 149)	(17 097 985)	(22 018 328)
4 711 550	1 857 574	(6 837 978)	(45 996 573)	28 272 584	(13 769 110)
–	–	4 816 394	11 542 901	4 816 394	11 542 901
–	–	1 096 511	3 693 331	1 096 511	3 693 331
–	–	27 898	127 489	27 898	127 489
–	–	20 723 419	–	20 723 419	–
–	–	(19 196)	(52 021)	(19 196)	(52 021)
–	–	(12 842 435)	(14 286 917)	(12 842 435)	(14 286 917)
–	–	(4 385 212)	(19 609 575)	(4 385 212)	(19 609 575)
–	–	(366 150)	(1 136 392)	(366 150)	(1 136 392)
–	–	62 626	162 553	62 626	162 553
–	–	9 113 855	(19 558 630)	9 113 855	(19 558 630)

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2019

13. Segment report (continued)

Rand	South Africa 2019	South Africa 2018 Restated	Australia 2019	Australia 2018
Group				
Revenues from external clients	476 915 874	404 231 382	60 041 772	64 383 335
Other income	240 903	52 325	–	272 982
Interest revenue	3 260 745	2 026 453	112 129	115 664
Foreign currency reserve released	–	–	–	–
Cost of sales	(361 587 160)	(301 312 403)	(52 173 460)	(55 010 480)
Depreciation and amortisation	(1 403 862)	(1 774 267)	(49 918)	(516 440)
Impairments	(38 367)	(75 020)	–	–
Operating expenses	(75 314 699)	(65 569 469)	(6 071 290)	(6 866 555)
Interest expense	(852 465)	(1 785 363)	(88)	(5 078)
Income tax expense	(12 127 336)	(7 115 833)	(553 765)	(681 346)
Profit/(loss) for the year	29 093 632	28 677 807	1 305 380	1 692 083
Continuing operations				
Segment assets*	120 003 612	90 013 256	26 105 076	20 282 517
Intangible assets	221 872	479 430	–	–
Total assets	120 225 485	90 492 686	26 105 076	20 282 517
Segment liabilities	(35 286 857)	(27 632 909)	(7 160 215)	(4 748 301)
Discontinued operations				
Segment assets*	–	–	–	–
Intangible assets	–	–	–	–
Total assets	–	–	–	–
Segment liabilities	–	–	–	–
Group				
Segment assets*	120 003 612	90 013 256	26 105 076	20 282 517
Intangible assets	221 872	479 430	–	–
Total assets	120 225 485	90 492 686	26 105 076	20 282 517
Segment liabilities	(35 286 857)	(27 632 909)	(7 160 215)	(4 748 301)

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

Europe		Other		Total	
2019	2018 Restated	2019	2018 Restated	2019	2018
10 324 203	6 038 126	45 948 954	92 983 625	593 230 803	567 636 468
–	–	2 128 477	6 235 381	2 369 380	6 560 688
–	–	467 278	4 020 641	3 840 152	6 162 758
–	–	20 723 419	–	20 723 419	–
(1 315 017)	(4 180 552)	(25 789 730)	(97 469 276)	(440 865 367)	(457 972 710)
–	–	(1 798 487)	(3 063 603)	(3 252 266)	(5 354 310)
–	–	(12 842 435)	(15 652 909)	(12 880 802)	(15 727 928)
(4 258 924)	–	(21 523 711)	(34 013 580)	(107 168 624)	(106 449 603)
–	–	(722 343)	(4 536 888)	(1 574 897)	(6 327 329)
(38 713)	–	(4 315 545)	(14 058 596)	(17 035 358)	(21 855 775)
4 711 550	1 857 574	2 275 878	(65 555 204)	37 386 440	(33 327 741)
5 286 300	–	34 042 428	54 154 550	185 437 417	164 450 323
–	–	22 754	195 653	244 626	675 082
5 286 300	–	34 065 182	54 350 203	185 682 043	165 125 405
(361 008)	–	(7 781 242)	(12 372 175)	(50 589 321)	(44 753 385)
–	–	–	57 120 959	–	57 120 959
–	–	–	–	–	–
–	–	–	57 120 959	–	57 120 959
–	–	–	(6 572 032)	–	(6 572 032)
5 286 300	–	34 042 428	111 275 509	185 437 417	221 571 282
–	–	22 754	195 653	244 626	675 082
5 286 300	–	34 065 182	111 471 162	185 682 043	222 246 364
(361 008)	–	(7 781 242)	(18 944 208)	(50 589 321)	(51 325 417)

NOTES TO THE SUMMARISED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2019

13. Segment report (continued)

Rand	2019	2018
Reconciliation of reportable segment revenue		
Total consolidated income for reportable segments	593 230 803	567 636 468
Elimination of discontinued operations	(4 816 394)	(11 542 901)
Consolidated total income	588 414 409	556 093 567
Reconciliation of profit before taxation		
Total consolidated profit before taxation for reportable segments	54 421 798	(11 471 966)
Less impairment of goodwill	–	(125 599 893)
Less share-based payment expense	(32 147)	–
Add other operating gains	(497 750)	–
Add gains/losses on exchange differences	1 152 300	–
Add movement in credit loss allowances	4 752 726	–
Elimination of discontinued operations	(9 051 229)	19 721 183
Consolidated profit before taxation	50 745 698	(117 350 675)
Reconciliation of assets		
Total assets for reportable segments	151 616 861	110 775 202
Goodwill	135 666 420	135 666 420
Assets for other segments	34 065 182	111 471 162
Elimination of discontinued operations	–	(57 120 959)
Consolidated total assets	321 348 464	300 791 826
Reconciliation of liabilities		
Total liabilities for reportable segment	(42 808 079)	(32 381 210)
Liabilities for other segments	(7 781 242)	(18 944 208)
Elimination of discontinued operations	–	6 572 032
Consolidated total liabilities	(50 589 321)	(44 753 385)

14. Non-Executive Directors' emoluments

Rand	2019	2018
Director		
Cheree Dyers	248 750	231 250
Herman Steyn	226 750	211 250
Tony Taylor	323 323	292 125
Arthur Winkler	243 250	207 500
Total	1 042 073	942 125

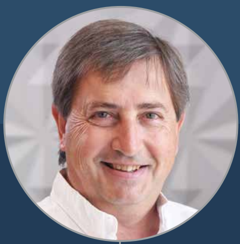
15. Material change statement

The Directors report that there have been no material changes to the affairs, financial or trading position of the Company and Group since 31 March 2019 to the date of posting of this report, other than disclosed in this report.

16. Going concern

The Directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate 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.

DIRECTORATE



PIERRE DE WET

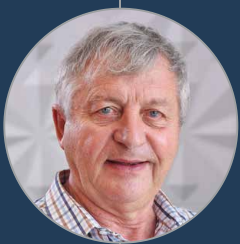
CHIEF EXECUTIVE OFFICER

Age 57

Appointed March 2017

Pierre de Wet started his career at Anglo American Corporation's head office as a scholarship holder. When an opportunity arose at stockbroking firm Huysamer Stals, Pierre was lured away and spent the next three years at the JSE gaining valuable experience in both the equity and capital markets. In 1992, he joined District Securities Bank in the capital market division, trading and broking capital market instruments, before co-founding PBT Group in 1998.

During the reverse listing of PBT Group via the Wooltru cash shell in June 2010, Pierre was appointed as CEO of the listed entity. He held this position until August 2012 when Prescient Holdings listed on the JSE via a reverse listing into PBT Group. He remained CEO of PBT Group during this time. Pierre was again appointed as the CEO of PBT Group after Prescient Holdings was disposed of and the listed entity became PBT Group once more.



MURRAY LOUW

FINANCIAL DIRECTOR

Age 74

Appointed March 2004

Murray is a merchant banker with extensive corporate finance experience both locally and abroad. He was elected to the Board of PBT Group in March 2004 (then Wooltru) and appointed Non-Executive Chairman on 13 December 2012. During 2017 his role changed to Financial Director of PBT Group. Murray is also a Non-Executive Director of Trematon Capital Investments.

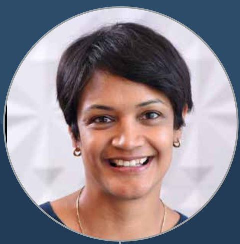
TONY TAYLOR

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Age 72

Appointed March 2017

Tony graduated in 1967 with a BA in Social Anthropology at the University of Witwatersrand. He started his career at Edgars in 1968 and held management and Director positions at several major retail companies up to 2009. Since 2009 Tony is an Executive of Pepkor Retail and is also a Non-Executive Director of Truworths.



CHEREE DYERS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 45

Appointed March 2017

Cheree holds a Bachelor of Business Science (Marketing) and a Bachelor of Commerce from the University of Cape Town. She is a CA (SA) and a CFA Charter holder. Following the completion of her articles at KPMG, Cheree joined the Prescient Group in 2005 where she has held various leadership positions. Currently she is the CEO of Prescient Investment Management. Cheree has vast experience in the financial industry and brings a wealth of business acumen to the Board and its audit and governance structures.

ARTHUR WINKLER

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 42

Appointed May 2017

Arthur qualified as a Chartered Accountant, having graduated from the University of Cape Town. He completed his articles at Moores Rowland where he remained as an Audit Manager until joining Wooltru as Company Secretary. He joined the Trematon Group in 2008 where he currently fills the role of Executive Director and Chief Financial Officer of the Group.

HERMAN STEYN

NON-EXECUTIVE DIRECTOR

Age 59

Appointed December 2012

Herman has been involved in the investment management industry since 1985, having held senior management positions in several asset management companies. He began his career in investments after studying a BBusSc degree majoring in Actuarial Science, Statistics, and Economics at the University of Cape Town. Herman completed his BBusSc (Honours) in 1984 and in 1998 founded Prescient Investment Management. Herman was appointed as Director and CEO of Prescient in December 2012, in which position he remained until March 2017. Herman is the Executive Chairman of Prescient. He continues to serve on the PBT Group Board as Non-Executive Director.

There have been no changes to the Board during the period under review.

SHAREHOLDER PROFILE

During the 2019 financial year, no new shares were issued. Total issued shares are 107 946 962 (2018: 1 399 062 917). At 28 September 2018 a share consolidation of its authorised and issued share capital of 1-for-10 was approved and was implemented during November 2018. The 2018 total issued share capital will have reduced from 1 399 062 917 to 139 906 292. For comparative purposes, the 2018 interests are amended to show the percentage after the 1-for-10 share consolidation. Please refer to note 7 Share capital for more information.

Distribution of shareholders

Number of shares held	Number of shareholders	Percentage	Numbers of shares	Percentage
1 – 10 000	1 265	88.40	1 268 244	1.17
10 001 – 100 000	88	6.15	3 327 759	3.08
100 001 – 1 000 000	61	4.26	19 095 627	17.69
1 000 001 – 10 000 000	13	0.91	35 306 488	32.71
Greater than 10 000 000	4	0.28	48 948 844	45.35
	1 431	100.00	107 946 962	100.00
Individuals	1 253	87.56	21 782 094	20.18
Nominees and trusts	77	5.38	5 742 793	5.32
Close corporations	10	0.70	20 234 026	18.74
Other corporate bodies	62	4.33	25 033 284	23.19
Banks	3	0.21	16 700 051	15.47
Insurance companies	3	0.21	55 022	0.05
Pension funds and medical aid schemes	5	0.35	1 843 593	1.71
Collective investment schemes and mutual funds	18	1.26	16 556 099	15.34
Total	1 431	100.00	107 946 962	100.00

Public and non-public shareholders

	Number of shareholders	Number of shares	Percentage of total issued shares
Shareholders holding greater than 10% of issued share capital	1	16 700 000	15.47
Directors	5	22 708 210	21.04
Non-public shareholder	1	10 373 282	9.61
Public shareholders	1 424	58 165 470	53.88
	1 431	107 946 962	100.00

Major shareholders

	Ordinary shares	Percentage of total issued share capital
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 2019 are as follows:		
Clearstream Banking SA Luxembourg	16 700 000	15.47
Spalding Investments 10 Proprietary Limited	10 373 282	9.61
Seena Marina Financial Services Proprietary Limited	9 920 182	9.19
Rocklands Group Holdings Proprietary Limited	5 849 544	5.42
The shareholders, indirectly held by Directors, who are directly or indirectly beneficially interested in 5% or more of the Group's issued share capital at 31 March 2019 are as follows:		
Poppy Ice Trading 23 Proprietary Limited	11 000 000	10.19
FISC Investment Management	10 875 562	10.07

Directors' holdings

The Directors' holdings at 31 March were as follows:

	Direct number of shares	Percentage	Indirect number of shares	Percentage
2019				
Tony Taylor	96 479	0.09	–	–
Pierre de Wet	–	–	5 390 000	4.99
Murray Louw	–	–	367 611	0.34
Cheree Dyers	198 426	0.18	5 610 000	5.20
Herman Steyn	170 132	0.16	10 875 562	10.07
2018				
Tony Taylor	96 479	0.07	–	–
Murray Louw	–	–	367 611	0.26
Cheree Dyers	478 427	0.34	1 032 568	0.74
Herman Steyn	170 132	0.12	20 570 493	14.70

The Directors' holdings that was included in the 2018 Integrated Report was based on the full issued share capital of 1 669 250 950 which included treasury shares of 270 188 033 (before the 1-for-10 share consolidation). In the 2019 Integrated Report it is amended to reflect net as a reduction of share capital the treasury shares and after the share consolidation of 1-for-10.

GENERAL INFORMATION

Country of incorporation	South Africa
Nature of business and principal activities	Information management and data analytics services
Directors	Tony Taylor (Independent Non-Executive Chairman) Pierre de Wet (Chief Executive Officer) Murray Louw (Financial Director) Cheree Dyers (Independent Non-Executive Director) Herman Steyn (Non-Executive Director) Arthur Winkler (Independent Non-Executive Director)
Audit and Risk Committee	Arthur Winkler (Chairman) Cheree Dyers Tony Taylor
Remuneration and Nomination Committee	Cheree Dyers (Chairman) Herman Steyn Tony Taylor Arthur Winkler
Social and Ethics Committee	Elizna Read (Chairman) Cheree Dyers Tony Taylor
Company Secretary	Bianca Pieters PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa
Registered office	PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, South Africa
Postal address	PO Box 276, Century City, 7446, South Africa
Registration number	1936/008278/06
Auditors	BDO Cape Incorporated
Sponsor	Sasfin Capital (a Member of the Sasfin Group)
Transfer Secretaries	Link Market Services South Africa Proprietary Limited PO Box 4844, Johannesburg, 2000, South Africa 19 Ameshoff Street, Braamfontein, 2001, South Africa
JSE share code	PBG
ISIN	ZAE000256319
Website	www.pbtgroup.co.za

GROUNDPEPPER

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