2020

ABRIDGED CONSOLIDATED AUDITED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

PBT group
DATA SPECIALISTS

ABRIDGED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Notice of AGM

Notice is hereby given that the next AGM of the shareholders of the Company will be held entirely by electronic communication, on 21 August 2020 at 10:00, 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 included in the Integrated Report.

Friday, 10 July 2020
Record date to receive the Notice of Annual General Meeting

Friday, 17 July 2020
Date of posting the Notice of Annual General Meeting

Tuesday, 11 August 2020
Last date to trade to be eligible to vote

Friday, 14 August 2020
Record date to be eligible to attend, participate and vote at the Annual General Meeting

Wednesday, 19 August 2020
For administrative purposes, preferable date by which forms of proxy for the Annual General Meeting are requested to be lodged, by 10:00

Friday, 21 August 2020
Annual General Meeting at 10:00

Friday, 21 August 2020
Results of Annual General Meeting published on SENS

Introduction

Shareholders are advised that the Shareholder Booklet, containing the Notice of Annual General Meeting (AGM), will be dispatched to shareholders on Friday, 17 July 2020.

In addition, the Integrated Annual Report (Integrated Report), incorporating the Consolidated Audited Annual Financial Statements for the year ended 31 March 2020 and the Abridged Consolidated Audited Annual Financial Statements (Abridged results) will be available on the Company's and the JSE's website from Friday, 17 July 2020:

Integrated Report:

COMPANY'S WEBSITE:
https://www.pbtgroup.co.za/shareholder-information/

JSE WEBSITE:
https://senspdf.jse.co.za/documents/2020/JSE/ISSE/PBGE/IAR2020.pdf

Abridged Results:

COMPANY'S WEBSITE:
https://www.pbtgroup.co.za/shareholder-information/

JSE WEBSITE:
https://senspdf.jse.co.za/documents/2020/JSE/ISSE/PBGE/ABR2020.pdf

Electronic copies of the Integrated Report and Abridged results can also be requested from the Company Secretary via e-mail at the following address: anastassia.sousa@pbtgroup.co.za from Friday, 17 July 2020.

Audit opinion

This abridged report is extracted from audited information but is not itself audited. The financial statements from which these results were extracted were audited by BDO South Africa Inc. and their unmodified opinion is included in the Consolidated Audited Annual Financial Statements which can be found in the Integrated Report. Electronic copies can be requested from the Company Secretary via e-mail from Friday, 17 July 2020. The Directors take full responsibility for the preparation of this abridged report and confirm that the financial information has been correctly extracted from the underlying annual financial statements.

PBT Group is pleased to report its results for the period under review. As our year-end was at 31 March 2020, these results have not been materially impacted by the devastating effect of the COVID-19 pandemic on the South African and world economies. Although our business model suits remote working, the possible effect on our results for the next reporting period is largely unknown. We are grateful for a good start to the new financial year and for satisfactory cash conversion during April and May 2020. Our statement of financial position is strong and we are confident that we can weather the storm.

Business activities and Group results

In 2019 PBT Group funded Spalding Investments 10 Proprietary Limited, a BEE and staff-owned company, by subscribing for preference shares to the value of R16.5 million in the company. As the only surety for this investment is the underlying investment in PBT Group Limited, this investment has been eliminated from the consolidated statement of financial position. Similarly, the preference dividend of R1.2 million received has been eliminated from the consolidated statement of profit or loss and other comprehensive income. The total shareholding of 10 373 282 is treated as treasury shares for accounting purposes.

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 R46.0 million (March 2019: R33.7 million).
- The profit before tax for continuing operations for the period was R66.0 million (March 2019: R50.7 million).
- Headline earnings per share was 30.79 cents per share (March 2019: 19.17 cents per share, post 1-for-10 share consolidation).
- Headline earnings per share for continuing operations was 30.79 cents per share (March 2019: 18.18 cents per share, post 1-for-10 share consolidation).
- Headline earnings per share for discontinued operations was 0.00 cents per share (March 2019: 0.99 cents per share, post 1-for-10 share consolidation).
- Earnings per share was 30.65 cents per share (March 2019: 25.32 cents per share, post 1-for-10 share consolidation).
- Earnings per share for continuing operations was 30.65 cents per share (March 2019: 17.97 cents per share, post 1-for-10 share consolidation).
- Earnings per share for discontinued operations was 0.00 cents per share (March 2019: 7.35 cents per share, post 1-for-10 share consolidation).

PBT Group (South Africa) Proprietary Limited is currently in a dispute with SARS concerning a penalty raised by them regarding an audit of the 2018 tax return. To this end a provision of R2.7 million was raised, negatively affecting EPS and HEPS by 2.77 cents per share.

On 23 March 2020 PBT Group successfully concluded a pro rata tender offer to shareholders and repurchased a total of 5 384 214 shares, representing 4.99999% of the total issued share capital of the Company at the date the tender offer was concluded for a total consideration of R11.6 million. The weighted average number of shares in issue (net of treasury shares) for the 12 months ended 31 March 2020 was 96 616 230 (March 2019: 124 063 076).

Impact of IFRS 16 on the financial results

On 1 April 2019 the new IFRS 16 Leases (IFRS 16) standard was adopted by the Group. IFRS 16 replaces IAS 17 Leases (IAS 17) and the most prominent changes on the Group's financial results are detailed as follows. The new standard requires leases to be capitalised as right-of-use assets and subsequently depreciated over their useful lives. Correspondingly, a lease liability is also required to be raised and the subsequent interest expense is recognised under finance costs. As at 31 March 2020 IFRS 16 resulted in an additional R18.2 million of assets being brought onto the statement of financial position, together with an additional R19.6 million of liabilities. Operating expenses increased by R1.1 milion as a result of reversing the rental payments (as per IAS 17) and recognising depreciation and interest expense (as per IFRS 16).

South Africa, Australia, Europe and the United Kingdom

During the period under review consolidated revenue increased by 14.3% from R588.4 million to R672.5 million. This is a very pleasing result and confirms the underlying growth in demand for our services.

Despite an increase in profitability, the operations in Australia remain subdued with revenue 16% lower than the 2019 financial year at AUD5.0 million. We are continuing to explore additional avenues for revenue growth.

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. Although revenue increased by 137% to Euro 1.6 million in comparison to the 2019 financial year, a loss of Euro 0.1 million was made due to the high cost of establishment in this region.

Business model

Reflecting on the financial period relevant to this report, PBT Group's business model has been slightly adjusted to accommodate and complement the range of new technology stacks released during the mentioned period related to our data specialisation. Although data remains our focus, we have initiated a series of accelerators applicable to most of these technology stacks to enhance our services. This is another strategy which will enable PBT Group to position itself as a differentiator in the market of data specialisation. The impact of the added acceleration approach reflects some minor adjustments, but remains very much aligned with our approach over the last 20 years as well as our intended strategic direction.

The acceleration approach during this period was taken for various reasons, but mainly in consideration of new technology releases, faster throughput on delivery, as well as cost-efficiencies to our clients. Another important reason is that, although data explosion has continued, numerous clients not only have to absorb the new data platforms, but many of them are also in a process of migration – whether on premise, cloud, or a hybrid thereof. The business demand for access to data is increasing rapidly and new techniques and approaches are inevitable. The PBT Group accelerators are being developed to perform ingestion from source to target, code generation and mapping, as well as cater for a data quality framework and functionality to supplement the migration process. Such accelerators are easy to deploy and enable the data specialists to rather focus on data than the underlying technology. Furthermore, the accelerators can also be used to integrate to well-known platforms such as Azure, Cloudera, GCP and AWS. Alteryx and DataIKU have also been part of our acceleration stack. The accelerators have been a result of data engineering techniques and practices gained over a 20-year period, which positions us well in a competitive market. This also addresses the high demand in skills required to perform certain data preparation, enabling more capacity to handle additional business requirements, thereby assisting our client to gain a critical data advantage with competitive pricing.

During this period it was again proven and acknowledged in the industry that the value of artificial intelligence (AI) and most analytical models can only be enabled through proper data engineering, PBT Group's core business. The accelerators supplement our services to differentiate ourselves from our competitors, whilst not having to sacrifice our technology agnostic approach. We are generally well positioned to meet the increasing demands.

Whilst in the process of assembling the accelerators to enhance our data services, our application development competency also expanded unexpectedly. The open-source approach to create the accelerators and enable ease of integration, configuration and platform independency, required specialised application development and not only data skills. Our application development team has not only achieved great results internally, but also client facing. The team participated in the very successful development of a mobile application. The application is being used extensively in the financial sector and more phases of enhancements are in the planning phase. The experience gained from this also enables PBT Group to establish new opportunities in the data services market – COVID-19 data being one example and client behaviour another.

PBT Group has maintained a sound business strategy that is based on a solutions approach in adding value to our clients.

The strategic objectives that underpin PBT Group's ongoing success are:

Be technology agnostic

PBT Group has throughout its existence remained technology agnostic. As data integrators we have adopted and adjusted to many technology stacks over the years in alignment with our clients, whilst remaining objective. This has enabled us to always assist with a true client solutions approach, rather than a technology approach. We view technology as an enabler, not a solution. We believe that our clients support this trust and objectivity.

Specialise in data

Data specialisation remains the basis of PBT Group as an organisation. Data explosion has been an ongoing phenomenon. It started off with the internet, but has truly gained momentum with the introduction of social media, mobile technology and the 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 business aspect, e.g. recruitment, procurement, finance, marketing, strategy and 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 AI. AI, when applied effectively, in turn is transforming and adding value in many industries. However, at the heart of it all is data, and this will not change in the foreseeable future.

Worldwide expansion

PBT Group is continuing to build our consultant base on experience obtained over more than two decades to maintain world-class standards. We are now competing internationally with operations in Melbourne (Australia), Dublin (Ireland), London (United Kingdom) and Amsterdam (the Netherlands). Through partnerships, successful projects and our traditional high-quality delivery, all the mentioned markets are now set to expand within the next 18 to 24 months, depending on the impact of the unexpected pandemic of COVID-19.

Big data/data lake

The term big data, now often referred to in the context of a data lake, originated from the accessibility to unstructured data, to differentiate it from other/structured data. A data lake is 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 further opened the door for petabytes of unstructured data in the form of videos, pictures and text to be generated continuously. They were also the first to realise the potential of analysing the data. Connectivity is what defined big data. Being part of this process allowed PBT Group to gain valuable experience and is assisting greatly in many data lake initiatives.

Cloud

With the advent of the big data and data lake concepts, the move to the cloud was inevitable. More and more data required scalable infrastructure which was not financially viable within a decentralised model. Cloud environments allow 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 main cloud contenders and is, at the same time, exploring analytics as a service in the cloud.

Business analytics

As per our previous report this aspect is unchanged and remains a huge component of PBT Group's success in the data solutions we implement, as well as consulting services rendered. 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 business value. PBT Group has a solid understanding of this concept and has a matured methodology to execute and align 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 was involved with the first internship programme specialising in data training in the South African market. During a 15-year period this programme has produced many highly skilled individuals, some of whom have achieved strategic positions in the marketplace. The success of this programme is unprecedented and tremendous talent has been uncovered.

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, as well as agile or hybrid processes, to achieve the most appropriate balance between best practice and practical implementation.

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 as it proactively adjusted its strategy to cater for envisaged challenges and to benefit from an extremely volatile market.

Directors

On 30 March 2020 the Board received and accepted the resignations of the CEO, Mr Pierre de Wet and FD, Mr Murray Louw from their positions as Executive Directors. The Board has appointed Mrs Elizna Read as the CEO and Mrs Bianca Pieters as the CFO of the Company with effect from 31 March 2020.

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.

Distributions

The Company's distribution policy is to consider an interim and a final distribution in respect of each financial year. At its discretion, the Board of Directors may consider a special distribution, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board of Directors may also elect not to pay distributions.

ABRIDGED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS [CONTINUED]

for the year ended 31 March 2020

On Friday, 3 July 2020, the Board of Directors resolved to declare a final distribution of 11 cents per PBT ordinary share for the year ended 31 March 2020. The total distribution will equate to R11.3 million. Each shareholder will be able to elect to receive the distribution as either a dividend as defined by the Income Tax Act, Act 58 of 1962 or as a capital reduction distribution in respect of all or a part of their PBT shareholding. If no election is made the default option will be that a dividend will be paid to such shareholders. An Election Form (for use by certificated shareholders) is included with the Notice of Annual General Meeting of PBT Group as distributed to shareholders on Friday, 17 July 2020. The Notice of Annual General Meeting can be found in the Shareholder booklet or Integrated Annual Report.

The implications of the elections above are as follows:

- A gross dividend of 11 cents per PBT ordinary share from income reserves will be subject to dividend withholding tax at a rate of 20%. Consequently, a net final dividend of 8.8 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively the "regulated intermediary") on behalf of the shareholders. However, all shareholders choosing this option should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption.
- A capital reduction distribution of 11 cents per PBT ordinary share is not subject to dividend withholding tax as the distribution is paid out of capital reserves. As the distribution will be regarded as a return of capital and may therefore have potential capital gains tax consequences, shareholders are advised to consult their tax advisers regarding the impact of the distribution.

As at the date of declaration of the distribution there were 102 288 545 PBT ordinary shares in issue. The Company's income tax reference number is 9725148713.

In compliance with the Companies Act the Directors confirm and have resolved that the Company will satisfy the solvency and liquidity test immediately after the payment of the distribution.

In accordance with the provisions of Strate Proprietary Limited, the electronic settlement and custody system used by the JSE Limited, the relevant dates for the distribution are as follows:

Friday, 17 July 2020
Election period opens

Tuesday, 4 August 2020
Last day to trade "cum distribution"

Wednesday, 5 August 2020
First trading day "ex distribution"

Friday, 7 August 2020
Record date

Friday, 7 August 2020
Dividend/election period closes by 12:00

Tuesday, 11 August 2020
Payment date

No share certificates may be dematerialised or rematerialised between Wednesday, 5 August 2020 and Friday, 7 August 2020, both days inclusive. Only the shareholders recorded in the Company's share register as at record date are entitled to receive the distribution declared.

Payments for certificated shareholders will be transferred electronically to their bank accounts on the payment date. Shareholders who hold dematerialised shares will have their accounts at their CSDP or stockbroker credited on Tuesday, 11 August 2020.

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 during the 2020 financial year.

Tony Taylor
Chairman

Elizna Read
Chief Executive Officer

ABRIDGED CONSOLIDATED AUDITED STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

Rand	Notes	GROUP 2020	GROUP 2019
ASSETS			
Non-current assets			
Plant and equipment		3 224 012	4 247 142
Right-of-use assets	3	18 145 257	–
Goodwill	4	135 666 420	135 666 420
Intangible assets		214 470	244 626
Loans receivable	6	7 294 734	6 458 606
Investments at fair value	7	44 774 653	26 868 915
Deferred tax asset		2 518 870	2 891 191
		211 838 416	176 376 900
Current assets			
Loans receivable		1 354 994	1 295 275
Trade and other receivables		102 908 261	112 075 437
Current tax receivable		753 287	521 042
Cash and cash equivalents		66 277 822	31 079 809
		171 294 364	144 971 563
Total assets		383 132 780	321 348 463
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of parent			
Share capital	8	503 830 445	3 490 921
Foreign currency translation reserve		12 767 031	4 979 890
Share-based payment reserve		295 723	32 147
Capital distribution reserve	10	(507 891 687)	–
Equity revaluation reserve		13 578 185	470 363
Treasury shares	9	(20 110 716)	–
Retained income		276 024 222	247 931 820
		278 493 203	256 905 141
Non-controlling interest		19 394 722	13 854 001
Total equity		297 887 925	270 759 142
LIABILITIES			
Non-current liabilities			
Lease liabilities	3	14 201 166	–
Deferred tax liability		149 851	1 615 464
		14 351 017	1 615 464
Current liabilities			
Trade and other payables	16	62 295 591	46 096 082
Lease liabilities		5 346 423	–
Current tax payable		3 158 737	2 777 895
Bank overdraft		93 087	99 880
		70 893 838	48 973 857
Total liabilities		85 244 855	50 589 321
Total equity and liabilities		383 132 780	321 348 463

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

for the year ended 31 March 2020

		GROUP	
Rand	Notes	2020	2019
Continuing operations			
Revenue	11	672 504 313	588 414 409
Cost of sales		(505 203 208)	(440 865 367)
Gross profit		167 301 105	147 549 042
Other operating income		1 134 341	1 272 869
Other operating gains/(losses)		159 593	(497 750)
Movement in credit loss allowances		(1 015 921)	4 752 726
(Loss)/gain on exchange movements		(289 398)	1 152 300
Impairment loss		–	(38 367)
Other operating expenses		(102 166 602)	(106 048 629)
Operating profit		65 123 118	48 142 191
Investment income		2 868 442	3 812 254
Finance costs		(1 985 419)	(1 208 747)
Profit before taxation		66 006 141	50 745 698
Taxation		(20 002 100)	(17 097 985)
Profit from continuing operations		46 004 041	33 647 713
Discontinued operations			
Profit from discontinued operations		–	9 113 855
Profit for the year		46 004 041	42 761 568
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains on valuation of investments in equity instruments		13 107 822	470 363
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		7 787 141	(7 929 281)
Other comprehensive income/(loss) for the year net of taxation		20 894 963	(7 458 918)
Total comprehensive income for the year		66 899 004	35 302 650
Profit attributable to:			
Owners of the parent			
From continuing operations		29 608 521	22 299 599
From discontinued operations		–	9 113 855
		29 608 521	31 413 454
Non-controlling interest			
From continuing operations		16 395 520	11 348 114
		46 004 041	42 761 568
Total comprehensive income attributable to:			
Owners of the parent		50 503 484	23 954 536
Non-controlling interest		16 395 520	11 348 114
		66 899 004	35 302 650
Earnings per share (cents)			
From continuing operations			
Basic earnings per share	17	30.65	17.97
Diluted earnings per share	17	30.65	17.97
From discontinued operations			
Basic earnings per share	17	–	7.35
Diluted earnings per share	17	–	7.35

ABRIDGED CONSOLIDATED AUDITED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2020

Rand	Notes	Share capital	Foreign currency translation reserve	Share-based payment reserve	Capital distribution reserve
GROUP					
Balance at 1 April 2018		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		(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 Group recognised directly in equity		(61 868 020)	–	32 147	–
Opening balance as previously reported		3 490 921	4 979 890	32 147	–
Change in accounting policy – IFRS 16	2	–	–	–	–
Balance at 1 April 2019 as restated		3 490 921	4 979 890	32 147	–
Profit for the year		–	–	–	–
Other comprehensive income		–	7 787 141	–	–
Total comprehensive income for the year		–	7 787 141	–	–
Share-based payment		–	–	263 576	–
Shares repurchased		(2 499 906)	–	–	–
Capital distribution		–	–	–	(11 731 761)
Reallocation of capital distributions	10	496 159 926	–	–	(496 159 926)
Reallocation to treasury shares	9	18 255 565	–	–	–
Shares repurchased – tender offer		(11 576 060)	–	–	–
Treasury shares purchased		–	–	–	–
Dividend		–	–	–	–
Purchase of additional shares in subsidiary		–	–	–	–
Total contributions by and distributions to owners of Group recognised directly in equity		500 339 524	–	263 576	(507 891 687)
Balance at 31 March 2020		503 830 445	12 767 031	295 723	(507 891 687)
Notes		8			10

Equity revaluation reserve	Treasury shares	Total reserves	Retained income	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
–	–	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
–	–	–	(120 918)	(120 918)	–	(120 918)
470 363	–	5 482 400	247 810 902	256 784 223	13 854 001	270 638 224
–	**–**	**–**	**29 608 521**	**29 608 521**	**16 395 520**	**46 004 041**
13 107 822	**–**	**20 894 963**	**–**	**20 894 963**	**–**	**20 894 963**
13 107 822	**–**	**20 894 963**	**29 608 521**	**49 503 484**	**16 395 520**	**66 899 004**
–	**–**	**263 576**	**–**	**263 576**	**–**	**263 576**
–	**–**	**–**	**–**	**(2 499 906)**	**–**	**(2 499 906)**
–	**–**	**(11 731 761)**	**–**	**(11 731 761)**	**–**	**(11 731 761)**
–	**–**	**(496 159 926)**	**–**	**–**	**–**	**–**
–	**(18 255 565)**	**(18 255 565)**	**–**	**–**	**–**	**–**
–	**–**	**–**	**–**	**(11 576 060)**	**–**	**(11 576 060)**
–	**(1 855 151)**	**(1 855 151)**	**–**	**(1 855 151)**	**–**	**(1 855 151)**
–	**–**	**–**	**–**	**–**	**(12 250 000)**	**(12 250 000)**
–	**–**	**–**	**(1 395 201)**	**(1 395 201)**	**1 395 201**	**–**
–	**(20 110 716)**	**(527 738 827)**	**(1 395 201)**	**(28 794 504)**	**(10 854 799)**	**(39 649 303)**
13 578 185	**(20 110 716)**	**(501 361 464)**	**276 024 222**	**277 493 203**	**19 394 722**	**297 887 925**

ABRIDGED CONSOLIDATED AUDITED STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

Rand	Notes	GROUP 2020	2019
Cash flows from operating activities			
Cash generated from operations		102 124 509	36 526 175
Interest income		2 360 028	3 812 254
Finance costs		(1 982 703)	(1 208 747)
Tax paid		(20 899 771)	(13 637 077)
Cash flows of discontinued operations		–	1 089 358
Net cash from operating activities		81 602 063	26 581 963
Cash flows from investing activities			
Purchase of plant and equipment		(894 904)	(1 144 278)
Sale of plant and equipment		1 771	77 477
Purchase of intangible assets		(339 491)	(304 255)
Purchase of investments at fair value		(10 000 000)	–
Proceeds from investments at fair value		10 345 398	–
Proceeds from loans receivable		1 102 500	–
Advances of loans receivable		(2 262 039)	(2 732 215)
Net cash flows of discontinued operations		–	(937 176)
Net cash from investing activities		(2 046 765)	(5 040 447)
Cash flows from financing activities			
Share-based payment advance		–	(16 500 000)
Shares repurchased	8, 9	(4 355 058)	–
Shares repurchased from dissenting shareholders	8	–	(3 343 931)
Dividend paid to non-controlling interests		(12 250 000)	(4 410 000)
Capital distribution		(11 731 761)	–
Shares repurchased – tender offer		(11 576 060)	–
Repayment of lease liabilities		(4 453 751)	–
Net cash flows of discontinued operations		–	(351 378)
Net cash from financing activities		(44 366 630)	(24 605 309)
Total cash movement for the year		35 188 668	(3 063 793)
Cash at the beginning of the year		30 979 929	34 050 659
Effect of exchange rate movement on cash balances		16 138	(6 937)
Total cash at the end of the year		66 184 735	30 979 929

NOTES TO THE ABRIDGED CONSOLIDATED AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. Statement of compliance

1.1 Basis of preparation

The abridged consolidated audited annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these abridged consolidated audited annual financial statements and the Companies Act, Act 71 of 2008 of South Africa, as amended.

These abridged consolidated audited 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 and contain the information required by IAS 34 Interim Financial Reporting.

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

These accounting policies are consistent with the previous period, except for the changes set out in note 2.

The abridged consolidated audited annual financial statements were prepared under the supervision of the Chief Financial Officer, Bianca Pieters CA (SA).

1.2 Significant judgements and sources of estimation uncertainty

The preparation of abridged consolidated audited 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 and staff 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 transaction value is treated as the grant of an option and 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. Management has made the judgement taking into account forward-looking indicators and the current COVID-19 pandemic. The expected credit loss rates have been adjusted to take into account the possible effect of COVID-19. Refer to note 14 Going concern and note 15 Events after the reporting period for more information.

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.

There is great uncertainty about the valuation of the investment in Zuuse Limited. PBT Group has a minority interest and Zuuse Limited is not listed which requires an assessment to be based on information gathered from Zuuse Limited's management and the quarterly updates that are sent to shareholders. The revenue multiple is used to assess the value after taking into consideration that PBT Group only has a minority interest and that Zuuse Limited is still in a start-up phase.

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.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 7 Investments at fair value and note 13 Fair value information.

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.

The following assumptions were utilised:

Weighted average cost of capital: 15.78% (2019: 16.37%)
Terminal growth rate: 5.00% (2019: 5.50%)
Number of years: 4 years (2019: 4 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.

In light of the current COVID-19 pandemic, the possible effect that it will have on the profitability of the Company in the next 12 months was taken into account. Refer to note 14 Going concern and note 15 Events after the reporting period for more information. Even when taking into account the COVID-19 risks, the value-in-use calculation is still considerably higher than the carrying value.

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 either the current or prior year as management does not expect that there will be future taxable income in either of these entities.

IFRIC 23 Uncertainty Over Income Tax Treatments
An estimation is made in terms of IFRIC 23 Uncertainty Over Income Tax Treatments on any amounts where there is uncertainty about the value of the specific tax item. PBT estimated an amount to be included in the current financial statements for a penalty imposed on one of the subsidiary companies. In such a circumstance an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 Income Taxes based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

2. Changes in accounting policy

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

Application of IFRIC 23 Uncertainty Over Income Tax Treatments

This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes (IAS 12) when there is uncertainty over income tax treatments. In such a circumstance an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

The Group adopted IFRIC 23 Uncertainty Over Income Tax Treatments for the first time in its annual financial statements for the year ended 31 March 2020. No changes to the opening balance retained earnings were required.

Application of IFRS 16 Leases

In the current year the Group has adopted IFRS 16 Leases (IFRS 16) (as issued by the International Accounting Standards Board (IASB) in January 2016) with the date of initial application being 1 April 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases: Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases, and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low-value assets. The impact of the adoption of IFRS 16 on the consolidated annual financial statements is described below.

The Group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 April 2019.

Leases previously classified as operating leases

The Group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate at the date of initial application; and
- recognised right-of-use assets measured on a lease-by-lease basis, at the carrying amount (as if IFRS 16 applied from commencement date but was discounted at the incremental borrowing rate at the date of initial application).

The Group applied IAS 36 Impairment of Assets to consider if these right-of-use assets are impaired as at the date of initial application.

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease-by-lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the Group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 1 April 2019 were treated as short-term leases, with remaining lease payments recognised as an expense on a straight-line basis; and
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.

Reconciliation of previous operating lease commitments to lease liabilities under IFRS 16

The incremental borrowing rate applied to lease liabilities on 1 April 2019 was 10.25%.

Rand	2019
Operating lease commitment at 31 March 2019 as previously disclosed	23 322 632
Effect of discounting lease commitments using the incremental borrowing rate at 1 April 2019	(5 320 189)
Less recognition exemption for:	
Short-term leases	(132 300)
Lease liability as at 1 April 2019	17 870 143

The following table shows the adjustments recognised in opening retained income on adoption of IFRS 16 for each line item of the financial statements affected:

Rand	Adjustments	31 March 2019 As originally presented	IFRS 16	1 April 2019 As restated
Non-current assets				
Right-of-use asset	(a)	–	17 557 706	17 557 706
Deferred tax asset	(b)	2 891 191	47 024	2 938 215
Equity				
Retained earnings	(c)	247 931 820	(120 918)	247 810 902
Non-current liabilities				
Lease liability	(d)	–	14 695 548	14 695 548
Current liabilities				
Trade and other payables	(e)	37 699 855	(144 495)	37 555 360
Lease liability	(d)	–	3 174 595	3 174 595

Notes:

The nature of the adjustments resulting from the adoption of IFRS 16 are described below:

(a) The right-of-use asset was initially recognised at its carrying amount as if the standard has been applied since the lease commencement date, in accordance with IFRS 16C8(b)(i). The carrying amount presented above is the sum of the cost of the right-of-use asset less the related accumulated depreciation as at 1 April 2019.

(b) The recognition of the right-of-use asset and lease liability, together with the reversal of the operating lease smoothing liability, gave rise to a deductible temporary difference and the recognition of an additional deferred tax asset.

(c) The impact of the application of IFRS 16 as at 1 April 2019 resulted in an adjustment being required against retained earnings.

(d) The lease liability was initially recognised on a present value basis, by discounting the minimum lease payments over the term of the lease. The lease liability has been split between the current and non-current portions and presented as such on the statement of financial position.

(e) This adjustment relates to the reversal of the operating lease smoothing liability included under trade and other payables.

Rand	2020
Impact on the statement of comprehensive income as at 31 March	
Increase in depreciation expense	5 592 269
Decrease in operating lease expense	(6 395 370)
Increase in operating profit	(803 101)
Increase in finance costs	1 941 619
Decrease in profit before tax for the year	1 138 518
Impact on earnings per share and diluted earnings per share as at 31 March	
Earnings per share (cents)	
– Continuing operations	(0.87)
Diluted earnings per share (cents)	
– Continuing operations	(0.87)

3. Leases

Nature of leasing activities

The Group leases a number of properties in the jurisdiction from which it operates. The lease contracts provide for rental payments to increase annually by fixed percentages. Therefore, there are no leases with variable payments and as a result neither the right-of-use asset nor the lease liability on the statement of financial position are susceptible to changes. For this reason no sensitivity analysis has been disclosed.

Rand	Buildings
Right-of-use assets	
At 1 April 2019	17 557 707
Additions	6 263 447
Depreciation	(5 592 270)
Modification to lease terms	(707 451)
Foreign exchange movements	623 824
	18 145 257

	GROUP	
Rand	2020	2019
Other disclosures		
Expenses on short-term leases included in operating expenses	3 384 794	–

Rand	Buildings
Lease liabilities	
At 1 April 2019	17 870 143
Additions	6 263 447
Interest expense	1 941 619
Modification to lease terms	(760 238)
Lease payments	(6 395 370)
Foreign exchange movements	627 988
	19 547 589

3. Leases (continued)

Rand	GROUP 2020	2019
Split between non-current and current portions		
Non-current liabilities	14 201 166	–
Current liabilities	5 346 423	–
	19 547 589	–
Comparative information for operating leases under IAS 17		
Minimum lease payments due		
– within one year	–	4 963 171
– in second to fifth year inclusive	–	18 359 461
	–	23 322 632
Future cash outflows from lease payments		
Year ending:		
31 March 2021	6 990 720	–
31 March 2022	6 371 195	–
31 March 2023	5 390 938	–
31 March 2024	4 460 634	–
	23 213 487	–

The Group has elected to apply the modified retrospective adoption method when transitioning to IFRS 16 and as such no comparative figures are required to be disclosed in this note.

The Board has considered the impact of COVID-19 on its accounting for leases in terms of IFRS 16 Leases.

There have been no significant changes in the right of use conveyed to the Group in terms of its lease contracts as a result of the COVID-19 pandemic. Therefore no lease modifications have arisen as there have been no changes to the scope of any lease contracts and no changes to the consideration for lease contracts.

As discussed in detail in note 15 Events after the reporting period the government-imposed lockdown only impacted the Group for three working days before year-end. The Board considered the impairment of the right-of-use asset as at 31 March 2020 and is satisfied that the Group is still receiving the beneficial use of the buildings that it leases, despite the short-term lockdown as imposed by the government and, as such, no indication of impairment exists.

Since there have been no changes in the Group's obligations in terms of its lease contracts as a result of COVID-19, there has been no derecognition of any part of the lease liability as at 31 March 2020.

4. Goodwill

	2020			2019		
Rand	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	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

	2020			2019		
Rand	Opening balance	Impairment loss	Total	Opening balance	Impairment loss	Total
GROUP						
Goodwill	135 666 420	–	135 666 420	135 666 420	–	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. 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. As the PBT Group of companies are still seen as a separate CGU, the recoverable amount of PBT Group to which goodwill is allocated has been determined based on the value-in-use calculation which uses cash flow projections on financial forecasts. The 2020 financial year goodwill figure has not been impaired as the recoverable amount was considerably higher than the goodwill figure.

Management based its cash flow projections on historical information and in light of the current COVID-19 pandemic the possible effect that it will have on the profitability of the Company in the next 12 months was taken into account. Refer to note 14 Going concern and note 15 Events after the reporting period for more information. Even when taking into account the COVID-19 risks, the value-in-use calculation is still considerably higher than the carrying value and no impairment is necessary on the goodwill figure. A steady and prudent revenue growth rate was used for years two to four starting from 2022. For year one, being 2021, the possible effect of COVID-19 was taken into account.

The discount rate (based on the weighted average cost of capital for the Group) used to calculate the value-in-use figure is 15.78% (2019: 16.40%) and the terminal growth rate 5.0% (2019: 5.5%).

5. Investments in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly, through subsidiaries.

	Number of ordinary shares held		% holding	
	2020	2019	**2020**	2019
GROUP COMPANIES				
BI-Blue Consulting Proprietary Limited	**1 000**	1 000	**100**	100
CyberPro Consulting Proprietary Limited	**51**	51	**51**	51
Halliard International (BVI) Limited (previously Stadia International (BVI) Limited)	**1 000**	1 000	**100**	100
PBT Group (Australia) Proprietary Limited	**11 000**	11 000	**100**	100
PBT Group (South Africa) Proprietary Limited	**100**	100	**100**	100
PBT Group (UK) Limited	**100**	–	**100**	–
PBT Group Europe Besloten Vennootschap	**1 000**	1 000	**100**	100
PBT Group International Besloten Vennootschap	**1 000**	1 000	**100**	100
PBT Infosight Proprietary Limited	**100**	100	**100**	100
PBT Insurance Technologies Proprietary Limited	**5 500 000**	5 500 000	**100**	100
PBT Technology Services (MEA) Proprietary Limited	**100**	100	**100**	100
PBT Technology Services Proprietary Limited	**100**	100	**100**	100
PBT Technology Services Ireland Limited	**100**	100	**100**	100
Stricklands Tetra Cape Proprietary Limited	**100**	100	**100**	100
Technique Business Intelligence Software Proprietary Limited	**1 000**	700	**100**	70

5. Investments in subsidiaries (continued)

Country of incorporation

All the entities are incorporated in South Africa except for:

Halliard International (BVI) Limited – incorporated in the British Virgin Islands;
PBT Group (Australia) Proprietary Limited – incorporated in Australia;
PBT Group (UK) Limited – incorporated in the United Kingdom;
PBT Group Europe Besloten Vennootschap – incorporated in the Netherlands;
PBT Group International Besloten Vennootschap – incorporated in the Netherlands; and
PBT Technology Services Ireland Limited – incorporated in Ireland.

Changes during the year

Halliard International (BVI) Limited

On 30 September 2019 PBT Group Limited transferred its 100% investment in Halliard International (BVI) Limited (previously Stadia International (BVI) Limited) to PBT Group International Besloten Vennootschap at its carrying value at that date. The reason for the transfer is PBT Group's intention to eventually hold all international entities under one international holding company.

Changes in ownership interest

On 31 March 2020 PBT Group Limited acquired an additional 30% shareholding in Technique Business Intelligence Software Proprietary Limited for no consideration. This increased the total percentage shareholding from 70% to 100%. This transaction did not result in a change in control of the subsidiary and therefore the transaction was recognised directly in equity.

Other changes

PBT Group International Besloten Vennootschap

During the year PBT Group Limited capitalised loans receivable from PBT Group International Besloten Vennootschap, PBT Group Europe Besloten Vennootschap, PBT Technology Services Ireland and Halliard International (BVI) Limited against its investment in PBT Group International.

5. Investments in subsidiaries (continued)

In terms of IFRS 12 Disclosure of Interests in Other Entities paragraph 12 the following information needs to be disclosed for a material subsidiary with non-controlling interests material to the Group:

CyberPro Consulting Prorprietary Limited (CyberPro) is a material subsidiary with non-controlling interests material to the Group. CyberPro's principal place of business is in Gauteng and the Western Cape. PBT holds a 51% share in the company. The profit allocated to the CyberPro non-controlling interest is R16.5 million (2019: R11.3 million) and the accumulated non-controlling interest at year-end is R19.4 million (2019: R15.1 million). The total dividend paid to the non-controlling interest for the year ended 31 March 2020 is R12.3 million.

Summarised financial information of non-controlling interests

Rand	2020	2019
STATEMENT OF FINANCIAL POSITION		
Non-current assets	2 615 741	1 540 695
Current assets	63 850 398	42 515 757
Total assets	66 466 139	44 056 452
Non-current liabilities	2 034 472	1 513 603
Current liabilities	24 850 500	11 498 754
Total liabilities	26 884 972	13 012 357
Net assets	39 581 167	31 044 095
Accumulated non-controlling interests	19 394 722	15 103 949
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Revenue	281 178 922	194 872 192
Operating profit	44 118 797	31 764 362
Profit before taxation	44 481 823	32 103 629
Profit for the year	33 568 540	23 356 175
Total comprehensive income for the year	33 568 540	23 356 175
STATEMENT OF CASH FLOWS		
Cash flows from operating actitivities	36 314 558	10 494 335
Cash flows from investing activities	(1 090 166)	(720 798)
Cash flows from financing activities	(25 356 297)	(8 580 000)
Net increase in cash and cash equivalents	9 868 095	1 193 537

6. Loans receivable

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

	GROUP	
Rand	2020	2019
PBT Insurance Technologies Employees	5 115 320	4 723 230
The unsecured loan bears interest at prime (2019: prime minus 2%) and has no fixed terms of repayment. No capital repayments are required in the next 12 months.		
Enterprise and supplier development loans	3 012 524	2 537 400
The unsecured loans bear no interest. Current loans to the value of R1.7 million are repayable within one year. The non-current loan of R1.3 million has no fixed term of repayment and no capital repayments are required in the next 12 months.		
Bonds	521 884	493 251
	8 649 728	7 753 881
Split between non-current and current portions		
Non-current assets	7 294 734	6 458 606
Current assets	1 354 994	1 295 275
	8 649 728	7 753 881
Exposure to credit risk		
Reconciliation of loss allowances		
Opening balance	177 764	86 145
Increase in provision for expected credit loss allowance	463 912	91 619
Closing balance	641 676	177 764

Taking into consideration the COVID-19 pandemic, management has assessed if it will have an impact on its business model for financial assets as per paragraph 4.1.1(a) of IFRS 9 Financial Instruments. The business model that is currently being accounted for is “hold to collect”. Management has come to the conclusion that it will not be necessary to change its business model and will continue to account for loans receivable as “hold to collect”.

Please refer to note 14 Going concern and note 15 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

The loans as stated above are all in stage 1 as we do not believe that there has been a significant increase in credit risk since initial recognition. The possible effect of COVID-19 had been taken into account and adjustments have been made to the expected credit loss allowance value. The probability of default on the enterprise development loans have been increased from 5% to 20% as we believe that these small businesses will face significant headwinds from the effects of COVID-19 on the economy.

7. Investments at fair value

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

Rand	GROUP 2020	GROUP 2019
Equity investments at fair value through profit or loss	118 726	124 729
Equity investments at fair value through other comprehensive income	44 655 927	26 744 186
	44 774 653	26 868 915
Fair value through profit or loss		
All Claims Proprietary Limited	118 726	124 729
Equity investments at fair value through other comprehensive income		
Zuuse Limited	44 655 927	26 744 186
	44 774 653	26 868 915
Split between non-current and current portions		
Non-current assets	44 774 653	26 868 915

Fair value information
Refer to note 13 Fair value information for details of valuation policies and processes.

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.

During the financial year Zuuse Limited issued more shares which diluted PBT's minority shareholding from 10.6% to 8.0% at 31 March 2020.

In light of the current COVID-19 pandemic, the possible effect is still unknown and a risk factor has been applied to calculate the fair value of this investment.

8. Share capital

	GROUP 2020	GROUP 2019
Authorised		
200 000 000 ordinary shares of no par value	–	–
Reconciliation of number of shares issued		
Reported as at the beginning of the period	136 418 749	1 669 250 950
Repurchase of shares	(34 130 204)	(332 234 286)
Repurchase of shares	(28 745 990)	(27 171 369)
Tender offer shares repurchased	(5 384 214)	–
Specific repurchased shares	–	(305 062 917)
Share consolidation	–	(1 227 769 230)
Fraction rate shares	–	(54)
	102 288 545	109 247 380
Treasury shares held by a wholly owned subsidiary of the Group	(2 200 000)	(1 300 418)
Opening balance	(1 300 418)	(1 300 418)
Repurchased during the current year	(899 582)	–
Shares held by BEE and staff company (Spalding Investments 10 Proprietary Limited) treated as treasury shares	(10 373 282)	(10 373 282)
Number of shares as at date of report	89 715 263	97 573 680

97 711 455 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.

Rand	GROUP 2020	GROUP 2019
Issued		
Ordinary shares of no par value	503 830 445	3 490 921
Issued share capital reconciliation:		
As previously published	3 490 921	3 490 921
Reallocation to treasury shares (refer to note 9)	18 255 565	–
Reallocation of prior capital distributions (refer to note 10)	496 159 925	–
Repurchase of shares	(2 499 907)	–
Shares repurchased – tender offer	(11 576 060)	–
Issued as at 31 March	503 830 445	3 490 921

During the period 1 574 621 shares were repurchased in accordance with the general authority to repurchase shares granted at the Annual General Meeting held on 2 August 2019 and subsequently cancelled and delisted. The average purchase price per share was R1.59 per share.

During the year it was decided to account for all capital distributions through a separate reserve called the capital distribution reserve. All future capital distributions will be accounted for directly in this reserve and prior capital distributions were transferred to the reserve in the current year for consistency. The reason for accounting for capital distributions directly in a separate reserve is to better reflect the value of the share capital. All capital distributions since the reverse listing in 2012 was included in the transfer to the reserve.

Previously all treasury shares were included in the share capital figure. Treasury shares will now be shown in separate reserve called the "treasury shares".

Rand	GROUP 2020	2019
9. Treasury shares		
Opening balance	–	–
Reallocation of treasury shares	18 255 565	–
Treasury shares purchased	1 855 151	–
Closing balance	20 110 716	–
Treasury shares movement during the period		
Opening balance as at 1 April	11 673 700	13 004 180
Share consolidation	–	(11 703 762)
Shares held by BEE and staff company (Spalding Investments 10 Proprietary Limited) treated as treasury shares	–	10 373 282
Treasury shares purchased by a subsidiary in the Group	899 582	–
	12 573 282	11 673 700
10. Capital distribution reserve		
Opening balance	–	–
Capital distribution during the financial year	11 731 762	–
Reallocation of prior capital distributions from share capital – 2018	26 206 633	–
Reallocation of prior capital distributions from share capital – 2017	469 953 292	–
Closing balance	507 891 687	–

Please refer to note 8 Share capital for the explanantion and the reconciliation between share capital and the capital distribution reserve.

11. Revenue

Rand	GROUP 2020	2019
Revenue from contracts with customers		
Sale of goods	4 895 623	3 395 635
Rendering of services	667 608 690	585 018 774
	672 504 313	588 414 409

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 2020	2019
Contract type		
Fixed price contracts	103 439 150	121 383 350
Projects	4 509 169	24 403 240
Software licences	4 895 623	3 395 635
Time and material	542 763 055	421 969 573
Usage-based licences	16 897 316	17 262 611
	672 504 313	588 414 409
Contract counterparties		
Energy	46 445 564	13 422 800
Financial services	457 405 962	289 071 318
Information technology	33 244 865	99 958 858
Medical	34 250 522	29 656 057
Retail	41 607 174	45 010 492
Services	8 172 249	22 012 498
Telecommunications	51 377 977	89 282 386
	672 504 313	588 414 409
Timing of revenue recognition		
At a point in time		
Sale of goods	4 895 623	3 395 635
Over time		
Rendering of services	667 608 690	585 018 774
Total revenue from contracts with customers	672 504 313	588 414 409

11. Revenue (continued)

The Board has considered the impact of COVID-19 on its accounting for revenue in terms of IFRS 15 Revenue from Contracts with Customers.

The Group does not have any contracts with customers that contain elements of variable consideration which require judgement and, as such, no reassessments were necessary to be made as a result of COVID-19.

The Group has not applied any judgements in allocating the transaction price to the performance obligations and, as such, no reassessments were necessary to be made as a result of COVID-19.

As at 31 March 2020 no contract renegotiations due to COVID-19 implications occurred and, therefore, no contract modifications in terms of IFRS 15 have arisen.

In order for a contract to exist in terms of IFRS 15, it must be probable that the Group will collect the consideration to which it is entitled in exchange for the services that will be transferred to the customer. COVID-19 is seen as an event that may significantly affect the customer's ability to pay the consideration when it is due. The Board has considered this criteria on all its customers and is satisfied that, due to the nature of the Group's customers, the ability to collect consideration from customers is probable and, therefore, the criteria for a contract to exist is met.

Please refer to note 14 Going concern and note 15 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

12. Related parties

Relationships

Subsidiaries

BI-Blue Consulting Proprietary Limited
CyberPro Consulting Proprietary Limited
Halliard International (BVI) Limited (previously Stadia International (BVI) Limited)
PBT Group (South Africa) Proprietary Limited
PBT Group (UK) 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 Ireland Limited
PBT Technology Services Proprietary Limited
Stricklands Tetra Cape Proprietary Limited
Technique Business Intelligence Software Proprietary Limited

Company owned solely by employees

Spalding Investments 10 Proprietary Limited

Members of key management

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

12. Related parties (continued)

Rand	GROUP 2020	GROUP 2019
Related party balances		
Loan accounts – owing by related parties		
JC du Toit	460 018	416 343
MN Engelbrecht	348 218	329 391
NJ Viljoen	460 018	416 343
W Viljoen	2 587 706	2 445 930
M Visser	460 018	416 343
HB Vosloo	390 994	413 185
H Woest	460 018	416 343
Amounts included in trade and other receivables regarding related parties		
NA Freddy	–	20 786
Related party transactions		
Interest received from related parties		
JC du Toit	43 675	26 005
MN Engelbrecht	34 222	7 393
NJ Viljoen	43 675	26 005
W Viljoen	225 408	149 389
M Visser	43 675	26 005
HB Vosloo	42 809	23 185
H Woest	43 675	26 005
Compensation to Directors and other key management		
Short-term employee benefits	34 680 356	27 765 511

13. Fair value information

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

		GROUP	
Exposure in Rand	Notes	2020	2019
Levels of fair value measurements			
Level 3			
Recurring fair value measurements			
Equity investments at fair value through other comprehensive income	11		
Zuuse Limited		44 655 927	26 744 186
Financial assets at fair value through profit or loss	11		
All Claims Proprietary Limited		118 726	124 729
Total		44 774 653	26 868 915

Fair value reconciliation

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

Financial assets recognised at fair value through profit or loss

For the investment classified as an asset held at fair value through profit or loss, the net asset value is management's best judgement to be the fair value.

Equity instruments at fair value through other comprehensive income

The "revenue multiple" method was used to calculate the fair value of the investment as at year-end. A size discount of 15% (2019: 13%) was used as the entity is still small comparative to it peers and it is still in a start-up phase. A minority and marketability discount of 30% (2019: 20%) was applied as the Group only owns a minority stake in the equity of the company and the shares are not freely traded on a stock market. The investment in Zuuse Limited was diluted further with the company issuing more shares and therefore the minority and marketability discount was increased. A revenue multiple of 6.5 (2019: 6.5) was used before taking into account the discounts applied.

The inputs used in the assessment are from information gathered from management at Zuuse Limited. This includes historical and forecasted information. Quarterly updates are sent to shareholders to keep them informed of the business. During the financial year Zuuse Limited issued more shares which diluted PBT Group's shareholding from 10.6% to 8.0% at 31 March 2020.

In light of the current COVID-19 pandemic, the possible effect is still unknown and a risk factor has been applied to calculate the fair value of this investment.

The below illustrates what the effect on the value of the investment, measured at fair value through other comprehensive income, will be when the revenue multiple is increased or decreased by 10%. All other variables remain constant.

- At 31 March 2020, if the revenue multiple used increased by 10%, then the value of the investment would be R49.0 million.
- At 31 March 2020, if the revenue multiple used decreased by 10%, then the value of the investment would be R36.9 million.

13. Fair value information (continued)

Reconciliation of assets measured at Level 3

Rand	Fair value through other comprehensive income	Fair value through profit or loss	Total
Fair value reconciliation			
Opening balance as at 1 April 2018	23 598 877	124 729	23 723 606
Gains or losses for the period recognised in profit or loss*	–	–	–
Gains or losses for the period recognised in other comprehensive income#	3 145 309	–	3 145 309
Closing balance as at 31 March 2019	26 744 186	124 729	26 868 915
Gains or losses for the period recognised in profit or loss*	**–**	**(12 170)**	**(12 170)**
Gains or losses for the period recognised in other comprehensive income#	**17 911 741**	**6 167**	**17 917 908**
Closing balance as at 31 March 2020	**44 655 927**	**118 726**	**44 774 653**

* *Gains and losses recognised in profit or loss are included in other operating gains on the statement of comprehensive income.*

\# *Gains and losses recognised in other comprehensive income are included in gains on valuation of investments in equity instruments and exchange differences on translation of foreign operations on the statement of comprehensive income.*

14. Going concern

The first positive case of COVID-19 in South Africa, where the majority of PBT Group's operations are based, was reported on 5 March 2020. Various stages of lockdown have been implemented since, resulting in the majority of PBT Group employees having worked remotely since 26 March 2020.

PBT Group has extensively analysed and evaluated the business' ability to continue as a going concern for the next financial year and foreseeable future. All indications are that this will indeed be the case.

In order to reach this conclusion, the three business segments were analysed separately. These segments have different risk profiles.

In South Africa, business experienced minimal impact during the first two months post year-end. Most of our clients operate in essential services industries and advanced technologies facilitate the unhindered remote delivery of services by our highly skilled consultants to these clients. This segment's cash flow remains strong, mainly due to the Group's ability to continue collecting payments from its high-quality clients. A large portion of the South African business operates on a low-risk basis where the risk of non-billability is shared with consultants. The momentum in digital transformation at PBT Group's clients remain high and is increasing due to the new operating environment brought about by COVID-19. Ongoing demand for PBT Group's services should support its business. Although the Group's cash position and business operations are strong, for prudence's sake we are in discussions with our bankers to secure an additional overdraft as an extra margin of safety.

In Australia, PBT Group provides services in critical industries and no contract terminations are anticipated. Additional comfort is provided by the very strong cash position on the ungeared statement of financial position. This cash is also available to be deployed in other segments of the Group, if needed.

Our Europe (including the United Kingdom) segment is in a similarly strong cash position and also has an ungeared statement of financial position. This surplus cash is also available for deployment in other areas if the need arises. This business is still in a development phase and has achieved pleasing success to date, with good prospects going forward.

From a liability perspective, PBT Group does not have any liabilities with external financial institutions that need to be serviced. The only liabilities of the Group are lease liabilities as well as normal operating trade and other payables.

15. Events after the reporting period

COVID-19

PBT Group was in the fortunate position to smoothly transition from working from the office to working from home, resulting in minimal business disruption.

In South Africa lockdown commenced during the last week of our financial year-end, being 31 March 2020, thus having almost zero effect on the 2020 year-end results.

Despite the positive first two months post year-end, we do anticipate that the effect of COVID-19 will have an impact on our 2021 figures. Clients are cautious in proceeding with non-essential projects and we foresee that budget cuts will result in low or non-increases in client rates, as well as non-renewal of contracts that are not business critical.

When the first cases of COVID-19 were reported by the end of February in the Netherlands and the United Kingdom, PBT Group's clients immediately implemented precautionary measurements, resulting in all consultants in the region working from home since the beginning of March 2020. By the end of March all reports indicated that productivity was kept to standard and even increased in delivery in certain situations.

As in South Africa, PBT Group's European business was not affected by COVID-19 up until the financial year-end, 31 March 2020. We have noticed that our European clients have been taking precautionary measures since, in order to mitigate the potential risk of the ramifications and repercussions on businesses resulting from this global pandemic. Many of the larger corporates went into a contract hiring freeze during April to May 2020. Projects and budgets were put on hold and reassessed and prioritised according to relevance and importance.

On the positive side, PBT Group Europe consultants have assisted some of the largest international clients to take control of their planning and forecasting of products in their supply chain. This ensures that productivity is kept to standard and efficient throughout the pandemic crisis. Most of PBT Group's European projects and services are critical for the daily business processes which they are reliant on.

Since the beginning of June 2020 COVID-19 restrictions were relaxed in the Netherlands and the United Kingdom and specific consultants are allowed to work onsite again with prudence, meticulous monitoring of COVID-19 development and, of course, strict adherence to health and safety regulations. We are seeing an increase in hiring of contractors in the Netherlands since the beginning of June 2020, especially in the financial industry. The prospective impact of the pandemic on PBT Group Europe's clients' businesses is still uncertain.

We do not foresee any impact on labour shortage due to illness during this period. With the majority of our consultants still providing services remotely, the risk of contracting and/or spreading the virus amongst employees is low.

The possible effects on the statement of financial position and statement of profit or loss and other comprehensive income are discussed below:

Statement of financial position

Below are the specific risks that PBT Group is closely monitoring:

Assets

Risk areas included in the following line items on the face of the statement of financial position:

- loans receivable;
- trade and other receivables; and
- cash and cash equivalents (liquidity risk).

Loans receivable

One of the enterprise development loans runs the risk of not being fully paid back. The loan is invested into a fund which provides loans to black South African-owned businesses focusing on information and communications technology (ICT). It is fair to assume that these start-up businesses will face severe headwinds due to the COVID-19 pandemic which may result in non-performing loans in the fund.

Trade and other receivables

The risk for trade and other receivables is that clients will not be in the position to pay their outstanding debts. Up until the date of signing this report, we have not experienced any difficulties and clients are paying timeously. Nevertheless, PBT Group took into consideration that the spread of the virus and the economic effect thereof is still relatively in the early stages and might increase significantly in the coming period. As such, the expected credit loss (ECL) allowance has been adjusted to take this into account.

Cash and cash equivalents (liquidity risk)

The possibility that trade and other receivables might not be in the position to pay their debts will have a direct impact on our cash flow situation in the future (liquidity risk). To that effect, PBT Group has engaged with our bankers to secure an additional overdraft facility as an extra margin of safety should the situation arise that our positive cash balance is not sufficient to meet our financial obligations.

15. Events after the reporting period (continued)

Liabilities

Risk areas included in the following line items on the face of the statement of financial position:

- trade and other payables.

Trade and other payables

The risk is that PBT Group might not be in the position to pay its trade and other payables timeously. This risk is mitigated as far as possible with the increased overdraft facilities as mentioned under cash and cash equivalents. Up until the date of signing this report, PBT Group has been comfortable in honouring its trade and other payables.

Statement of profit or loss and other comprehensive income

Below are the specific risks that PBT Group is monitoring closely:

- revenue; and
- profit.

Revenue and profit

PBT Group's risk for revenue is that clients might delay or cancel projects in order to save on their costs. This will have a direct effect on PBT Group's revenue figure. We anticipate that clients will be sensitive to rate increases and a number of clients have requested discounts. Currently this is manageable and will not significantly impact profitability and will be off-set against future new business. As a services company, PBT Group's cost of sales mainly comprises salaries paid to consultants. As PBT Group endeavours to keep our employees on board, a possible negative effect on the revenue will have a direct impact on our gross profit and eventually on our bottom-line profit.

No other items in the statement of profit or loss will be significantly affected by the COVID-19 virus pandemic.

Distribution declared after reporting period and recognised as a liability

On Friday, 3 July 2020, the Board of Directors resolved to declare a final distribution of 11 cents per PBT ordinary share for the year ended 31 March 2020. The total distribution will equate to R11.3 million. Each shareholder will be able to elect to receive the distribution as either a dividend as defined by the Income Tax Act, Act 58 of 1962 or as a capital reduction distribution. If no election is made the default option will be that a dividend will be paid to such shareholders. An Election Form (for use by certificated shareholders) is included with the Notice of Annual General Meeting of PBT Group and the Directors' Report, containing details of the distribution, which was distributed to shareholders on Friday, 17 July 2020.

The implications of the elections above are as follows:

- A gross dividend of 11 cents per PBT ordinary share from income reserves will be subject to dividend withholding tax at a rate of 20%. Consequently, a net final dividend of 8.8 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (CSDP) (collectively the "regulated intermediary") on behalf of the shareholders. However, all shareholders choosing this option should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption.
- A capital reduction distribution of 11 cents per PBT ordinary share is not subject to dividend withholding tax as the distribution is paid out of capital reserves. As the distribution will be regarded as a return of capital and may therefore have potential capital gains tax consequences, shareholders are advised to consult their tax advisers regarding the impact of the distribution.

16. Comparative figures

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

The effects of the reclassifications are as follows:

	Adjustments	31 March 2019 As originally presented	Reclassification	31 March 2019 As restated
GROUP				
Statement of financial position				
Trade and other payables	(a)	(37 699 855)	(8 396 227)	(46 096 082)
Payroll-related accruals	(a)	(8 396 227)	8 396 227	–
Reserves	(b)	5 482 400	(5 482 400)	–
Foreign currency translation reserve	(b)	–	4 979 890	4 979 890
Share-based payment reserve	(b)	–	32 147	32 147
Equity revaluation reserve	(b)	–	470 363	470 363

(a) The amount relating to payroll-related accruals has been reclassified from a separate line item on the face of the statement of financial position to trade and other payables.

(b) Reserves, which were previously combined as one line item on the face of the statement of financial position, have been reclassified into separate line items.

17. Earnings per share and headline earnings per share

Cents	2020	2019
Basic earnings per share	30.65	25.32
Continuing operations	30.65	17.97
Discontinued operations	–	7.35
Diluted earnings per share	30.65	25.32
Continuing operations	30.65	17.97
Discontinued operations	–	7.35

The calculation of basic earnings per share as at 31 March 2020 was based on the profit attributable to ordinary shareholders of R29.6 million (March 2019: R31.4 million) and a weighted average of ordinary shares outstanding of 96 616 230 (March 2019: 124 063 076).

Diluted basic earnings and headline earnings per share are equal to basic earnings and headline earnings per share.

	2020	2019
Weighted average number of ordinary shares		
Ordinary shares at 1 April	136 418 749	1 669 250 950
Share consolidation	–	166 925 095
Effect of treasury shares held	(29 429 237)	(42 521 023)
Shares held by BEE company included as treasury shares	(10 373 282)	(340 996)
	96 616 230	124 063 076

17. Earnings per share and headline earnings per share (continued)

Reconciliation of earnings and headline earnings per share

	GROUP			
	2020		2019	
Rand	Gross	Net	Gross	Net
Continuing operations				
Profit attributable to equity holders of the parent		29 608 521		22 299 599
Losses on disposal of assets	173 635	125 017	348 153	250 670
Impairments of assets	13 886	9 998	38 367	27 624
Headline earnings		29 743 536		22 577 893
Discontinued operations				
Profit attributable to equity holders of the parent		–		9 113 855
Restatement to fair value of discontinued operations	–	–	12 842 435	12 842 435
Release of foreign currency translation reserve to the statement of profit or loss	–	–	(20 723 419)	(20 723 419)
		–		1 232 871

	GROUP	
Cents	2020	2019
Headline earnings per share		
Continuing operations	30.79	18.18
Discontinued operations	–	0.99
Diluted headline earnings per share		
Continuing operations	30.79	18.18
Discontinued operations	–	0.99
Distributions		
Interim capital reduction distribution	12.00	–
Final distribution	11.00	–

Headline earnings per share has been calculated in accordance with Circular 01/2019 issued by the South Africa Institute of Chartered Accountants.

18. Segment report

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

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

	South Africa		Australia	
Rand	2020	2019	2020	2019
Continuing operations				
Revenues from external customers	594 000 286	476 915 874	50 668 278	60 041 772
Other income	65 858	240 903	–	–
Interest revenue	2 734 977	3 260 745	75 630	112 129
Cost of sales*	(440 539 872)	(357 439 158)	(42 936 552)	(52 173 460)
Depreciation and amortisation	(6 335 650)	(1 403 862)	(486 540)	(49 918)
Impairments	–	(38 367)	–	–
Operating expenses	(74 840 550)	(75 314 699)	(4 509 966)	(6 071 290)
Interest expense	(1 726 988)	(852 465)	(86 983)	(88)
Income tax expense	(18 070 843)	(12 127 336)	(845 393)	(553 765)
Profit/(loss) for the year	55 287 217	33 241 634	1 878 474	1 305 380
Discontinued operations				
Revenues from external customers	–	–	–	–
Other income	–	–	–	–
Interest revenue	–	–	–	–
Foreign currency reserve released	–	–	–	–
Depreciation and amortisation	–	–	–	–
Impairments	–	–	–	–
Operating expenses	–	–	–	–
Interest expense	–	–	–	–
Income tax expense	–	–	–	–
Profit/(loss) for the year	–	–	–	–

* *An insignificant amount was reclassified between segments in the prior year in order to better reflect the cost of sales per segment as per IFRS 8:25.*

Europe		Other		Total	
2020	2019	2020	2019	2020	2019
27 835 749	10 324 203	–	41 132 560	672 504 313	588 414 409
–	–	1 068 483	1 031 966	1 134 341	1 272 869
–	–	57 835	439 380	2 868 442	3 812 254
(20 749 700)	(5 463 019)	(977 084)	(25 789 730)	(505 203 208)	(440 865 367)
(880 583)	–	–	(1 779 291)	(7 702 772)	(3 233 070)
–	–	–	–	–	(38 367)
(8 095 841)	(4 258 924)	(6 753 898)	(17 138 499)	(94 200 254)	(102 783 412)
(169 475)	–	(1 973)	(356 193)	(1 985 419)	(1 208 747)
(90 823)	(38 713)	(995 041)	(4 378 171)	(20 002 100)	(17 097 985)
(2 150 672)	563 547	(7 601 677)	(6 837 978)	47 413 342	28 272 584
–	–	–	4 816 394	–	4 816 394
–	–	–	1 096 511	–	1 096 511
–	–	–	27 898	–	27 898
–	–	–	20 723 419	–	20 723 419
–	–	–	(19 196)	–	(19 196)
–	–	–	(12 842 435)	–	(12 842 435)
–	–	–	(4 385 212)	–	(4 385 212)
–	–	–	(366 150)	–	(366 150)
–	–	–	62 626	–	62 626
–	–	–	9 113 855	–	9 113 855

18. Segment report (continued)

	South Africa		Australia	
Rand	2020	2019	2020	2019
GROUP				
Revenues from external customers	594 000 286	476 915 874	50 668 278	60 041 772
Other income	65 858	240 903	–	–
Interest revenue	2 734 977	3 260 745	75 630	112 129
Foreign currency reserve released	–	–	–	–
Cost of sales*	(440 539 872)	(357 439 158)	(42 936 552)	(52 173 460)
Depreciation and amortisation	(6 335 650)	(1 403 862)	(486 540)	(49 918)
Impairments	–	(38 367)	–	–
Operating expenses	(74 840 550)	(75 314 699)	(4 509 966)	(6 071 290)
Interest expense	(1 726 988)	(852 465)	(86 983)	(88)
Income tax expense	(18 070 843)	(12 127 336)	(845 393)	(553 765)
Profit/(loss) for the year	55 287 217	33 241 634	1 878 474	1 305 380
Continuing operations				
Segment assets**	138 241 299	120 003 612	31 209 602	26 105 076
Intangible assets	214 470	221 872	–	–
Total assets	138 455 769	120 225 485	31 209 602	26 105 076
Segment liabilities	(63 510 944)	(35 286 857)	(9 225 931)	(7 160 215)
Discontinued operations				
Segment assets**	–	–	–	–
Intangible assets	–	–	–	–
Total assets	–	–	–	–
Segment liabilities	–	–	–	–
GROUP				
Segment assets**	138 241 299	120 003 612	31 209 602	26 105 076
Intangible assets	214 470	221 872	–	–
Total assets	138 455 769	120 225 485	31 209 602	26 105 076
Segment liabilities	(63 510 944)	(35 286 857)	(9 225 931)	(7 160 215)

* *An insignificant amount was reclassified between segments in the prior year in order to better reflect the cost of sales per segment as per IFRS 8:25.*

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

	Europe		Other		Total	
	2020	2019	2020	2019	2020	2019
	27 835 749	10 324 203	–	45 948 954	672 504 313	593 230 803
	–	–	1 068 483	2 128 477	1 134 341	2 369 380
	–	–	57 835	467 278	2 868 442	3 840 152
	–	–	–	20 723 419	–	20 723 419
	(20 749 700)	(5 463 019)	(977 084)	(25 789 730)	(505 203 208)	(440 865 367)
	(880 583)	–	–	(1 798 487)	(7 702 772)	(3 252 266)
	–	–	–	(12 842 435)	–	(12 880 802)
	(8 095 841)	(4 258 924)	(6 753 898)	(21 523 711)	(94 200 254)	(107 168 624)
	(169 475)	–	(1 973)	(722 343)	(1 985 419)	(1 574 897)
	(90 823)	(38 713)	(995 041)	(4 315 545)	(20 002 100)	(17 035 358)
	(2 150 672)	563 547	(7 601 677)	2 275 878	47 413 342	37 386 440
	25 678 285	5 286 300	52 122 704	34 042 428	247 251 890	185 437 417
	–	–	–	22 754	214 470	244 626
	25 678 285	5 286 300	52 122 704	34 065 182	247 466 360	185 682 043
	(4 225 386)	(361 008)	(8 282 593)	(7 781 242)	(85 244 855)	(50 589 321)
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	–	–	–	–	–
	25 678 285	5 286 300	52 122 704	34 042 428	247 251 890	185 437 417
	–	–	–	22 754	214 470	244 626
	25 678 285	5 286 300	52 122 704	34 065 182	247 466 360	185 682 043
	(4 225 386)	(361 008)	(8 282 593)	(7 781 242)	(85 244 855)	(50 589 321)

18. Segment report (continued)

Rand	2020	2019
Reconciliation of reportable segment revenue		
Total consolidated income for reportable segments	672 504 313	593 230 803
Elimination of discontinued operations	–	(4 816 394)
Consolidated total income	672 504 313	588 414 409
Reconciliation of profit before taxation		
Total consolidated profit before taxation for reportable segments	67 415 442	54 421 798
Less share-based payment expense	(263 576)	(32 147)
Add other operating gains/(losses)	159 593	(497 750)
Add (losses)/gains on exchange differences	(289 398)	1 152 300
Add movement in credit loss allowances	(1 015 921)	4 752 726
Elimination of discontinued operations	–	(9 051 229)
Consolidated profit before taxation	66 006 141	50 745 697
Reconciliation of assets		
Total assets for reportable segments	195 343 656	151 616 861
Goodwill	135 666 420	135 666 420
Assets for other segments	52 122 704	34 065 182
Consolidated total assets	383 132 780	321 348 464
Reconciliation of liabilities		
Total liabilities for reportable segments	(76 962 262)	(42 808 079)
Liabilities for other segments	(8 282 593)	(7 781 242)
Consolidated total liabilities	(85 244 855)	(50 589 321)

Information about customers
Included in revenue from external customers is revenue from one customer which represents more than 10% of the total revenue from external customers:

	2020		2019	
	%	Rand	%	Rand
Customer A	11	75 358 674	6	34 038 154

The revenue from customer A was derived in the South Africa reportable segment.

Other disclosures
Revenue to external customers disclosed in the other reporting segment includes revenue from services rendered in PBT Technology Services (MEA) Proprietary Limited. In the prior year management no longer considered the Middle East/Africa region to be a reportable segment.

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) Elizna Read (Chief Executive Officer) Bianca Pieters (Chief Financial Officer) Cheree Dyers (Independent Non-Executive Director) Herman Steyn (Non-Executive Director) Arthur Winkler (Independent Non-Executive Director)
Audit and Risk Committee	Arthur Winkler (Chairman) Cheree Dyers Tony Taylor
Remuneration and Nomination Committee	Cheree Dyers (Chairman) Herman Steyn Tony Taylor Arthur Winkler
Social and Ethics Committee	Cheree Dyers (Chairman) Elizna Read Tony Taylor
Company Secretary	Anastassia Sousa 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 South Africa 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 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001, South Africa
JSE share code	PBG
ISIN	ZAE000256319
Website	www.pbtgroup.co.za

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