2020

INTEGRATED REPORT

PBT group

DATA SPECIALISTS

SCOPE AND BOUNDARY

Our Integrated Report is published annually and presents an overview of the activities, practices and progress of PBT Group Limited (PBT Group) for the 12-month period from 1 April 2019 through to 31 March 2020. The 2020 Integrated Report provides both financial and non-financial information for the period. The most recent previous report was the 2019 Integrated Report, which can be accessed via PBT Group's website.

The 2020 Integrated Report covers relevant aspects of all the operations of PBT Group. There has been no change in the scope and boundary of this report.

During February 2020 PBT Group made a tender offer of 4.99999% to shareholders. The full offer was taken up and PBT Group repurchased 5 384 214 shares. Please refer to the share capital note in the Notes to the financial statements for the details.

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

Frameworks and assurance

The reporting principles that have been applied in this report were guided by the International Financial Reporting Standards (IFRS), the King IV Report on Corporate Governance for South Africa, 2016 (King IV) requirements, the Global Reporting Initiative's sustainability reporting guidelines and the Framework for Integrated Reporting. It also conforms to the statutory and reporting requirements of the South African Companies Act, Act 71 of 2008 (as amended) (Companies Act) and the Listings Requirements of the JSE Limited (Listings Requirements).

The PBT Group Board and its subcommittees have reviewed the report and have satisfied themselves of the materiality, accuracy and balance of disclosures in this report. In addition, external assurance was sought for aspects of our reporting from a variety of sources. This includes:

- Independent auditors BDO South Africa Incorporated, for our financial statements.
- The Legal Verification Team Proprietary Limited has verified our Broad-Based Black Economic Empowerment (B-BBEE) scorecard rating.

APPROVAL OF THE INTEGRATED REPORT

The Board acknowledges its responsibility to ensure the integrity of this report. The Directors confirm that they have collectively assessed the content of the Integrated Report and believe that it addresses the material issues and is a fair representation of the integrated performance of the Group. The Board has therefore approved the 2020 Integrated Report for publication.

On behalf of the Board

Elizna Read
Chief Executive Officer

Tony Taylor
Chairman

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About us

ABOUT US

PBT Group provides data and analytics solutions and services that capitalise on data-driven insights, to make well-timed, intuitive business decisions that consistently position our clients ahead of the curve.

PBT Group takes ownership of clients' challenges – transforming their data into tangible assets that greatly assist in streamlining operations as well as predictive and analytical capabilities.

Technological integration is a key enabler in providing clients with custom-made solutions or services in support of their organisational objectives. As a technology agnostic data specialist organisation, PBT Group is best positioned to optimise clients' operations without allowing product or technology to limit their options.

GLOBAL FOOTPRINT

OPERATIONS
United Kingdom
Ireland
The Netherlands

OFFICES
Dublin
Amsterdam

OPERATIONS
South Africa

OFFICES
Cape Town
Johannesburg
Stellenbosch

OPERATIONS
Australia

OFFICES
Melbourne

Our Clients

The Group's global client base includes prominent companies of high regard and extends to a variety of industries, including finance, insurance, telecommunications, retail and medical healthcare.

Our Vision
To be the preferred data and analytics solutions and services provider to our global client base through strong partnerships, innovation and domain expertise.

Our Mission
To ensure the long-term success of business clients through the effective organisation, interpretation and publishing of company intelligence.

Our Values
Integrity, quality, professionalism, accountability, teamwork, respect, ethics and trust.

Our People
More than 640 skilled consultants continuously deliver quality solutions and services in all of the Group's operations and have over 5.3 million hours data and analytics experience.

PBT group
DATA SPECIALISTS

- 100% **PBT Group (South Africa) Pty Ltd**
  - 51% CyberPro Consulting Pty Ltd
  - 100% PBT Insurance Technologies Pty Ltd
  - 100% PBT Technology Services Ireland Ltd
  - 100% PBT Technology Services Pty Ltd
- 100% **PBT Group (Australia) Pty Ltd**
- 100% **PBT Group International BV**
  - 100% Halliard International (BVI) Ltd (previously Stadia International (BVI) Ltd)
  - 100% PBT Group Europe BV
  - 100% PBT Group (UK) Ltd

Our Commitment
PBT Group recognises the importance of transformation and the creation of sustainable BEE in the South African business landscape, consistently striving to meet and improve on guidelines related to social responsibility and empowerment.

Our Listing
PBT Group is listed on the JSE under the Software and Computer Services Sector.

COMPANY PROFILE

Established as an information management services company in 1998, PBT Group offers specialised consulting services to large national and international clients in South Africa, as well as Australia, the United Kingdom and Europe.

With extensive experience as data specialists, PBT Group is a recognised leader in this field, which includes data platform, data engineering, data analytics, data visualisation, application development, cloud solutions and strategic consulting.

PBT Group has a staff complement of more than 640 skilled and professional consultants and has established strategic alliances with recognised local and international vendors. Our consultants have a sincere commitment to providing the highest levels of service and the most appropriate solutions to our clients.

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

PBT Technology Services, the Group's main operating unit, holds a strong partner network, enabling the use of the Group's technology expertise to best support our clients' specific business needs.

PBT Insurance Technologies (PBTit) is a provider of specialist healthcare management solutions and services, and its clients include numerous reputable medical aid schemes. Aimed at the medical aid and managed care sectors, PBTit incorporates a high level of flexibility, real-time claims processing, query capabilities, electronic data interchange, document management services, membership and contribution management as well as advanced medical savings account management.

PBT Group (Australia) provides specialist healthcare management services as well as business intelligence and information management services.

CyberPro Consulting is a leading Microsoft gold certified partner as well as an Oracle Java partner that develops line of business systems, mobile applications as well as web applications. Its expertise extends to system integration, database development and business intelligence solutions, with a service offering that spans the full software development life cycle, from business analysis, software architecture and development through to quality assurance and post-deployment support.

PBT Group Europe in the Netherlands offers an extension of the Group's services to the European (including Ireland) and United Kingdom markets. In collaboration with specialised local partners, these subsidiaries complement the Group's core data engineering expertise with Artificial Intelligence competencies, providing comprehensive services and solutions.

BUSINESS MILESTONES

1998

Founded as Prescient Business Technologies, a specialised information management company.

2006

Rapid developments in the Company structure, together with the need to align operations with the Group's vision of its future potential and acquisitions, lead to Prescient Business Technologies renaming itself to PBT Group.

2008

PBT Group (Australia) established in Melbourne.

2009

Strategic Medical Systems, a provider of specialist healthcare management solutions and services, renamed to PBT Insurance Technologies to better reflect the wider application of its services and align itself with the PBT brand.

2010

PBT Group listed on the JSE, through a reverse listing via the Wooltru cash shell.

2012

PBT Group acquires three specialist technology-focused companies: BI-Blue Consulting, a recognised leader in SAP Business Analytics and Enterprise Information Management, CyberPro Consulting, a leading Microsoft software services company, as well as Technique Business Intelligence Software, an IBM business partner and technical solutions authority.

Prescient listed on the JSE through a reverse listing via PBT Group, continuing to operate through its two main subsidiaries, Prescient Holdings (financial services) and PBT Group (information management services).

2016

PBT Group creates individual entities for its operating units due to its growth and in terms of its geographical dispersion. Through this PBT Technology Services and PBT Technology Services (MEA) were established.

2017

Prescient disposes of its financial services arm, renames to PBT Group and continues its listing on the main board of the JSE as a focused listed IT entity.

2018

Following the downscaling of the Africa and Middle East operations, PBT Group shifts its international focus to the United Kingdom and Europe, including Ireland. Through this, PBT Group Europe, with its head office in Amsterdam, Netherlands, was established.

2019

PBT Group successfully exits the Africa and Middle East market.

2020

PBT Group (UK) established as an extension of the Company's services internationally.

SHAREHOLDER PROFILE

During the 2020 financial year no new shares were issued. As at 31 March 2020 the total shares in issue were 102 288 545 (2019: 109 247 380).

Distribution of shareholders

Number of shares held	Number of shareholders	Percentage	Number of shares	Percentage
1 – 10 000	1 155	88.24	1 106 498	1.08
10 001 – 100 000	80	6.11	2 893 419	2.83
100 001 – 1 000 000	59	4.51	18 429 739	18.02
1 000 001 – 10 000 000	11	0.84	30 910 045	30.22
Greater than 10 000 000	4	0.31	48 948 844	47.85
	1 309	100.00	102 288 545	100.00
Individuals	1 135	86.71	20 286 034	19.83
Nominees and trusts	75	5.73	5 984 715	5.85
Close corporations	16	1.22	124 677	0.12
Other corporate bodies	60	4.58	57 796 610	56.50
Banks	4	0.31	16 727 743	16.35
Insurance companies	2	0.15	40 044	0.04
Pension funds and medical aid schemes	3	0.23	40 693	0.04
Collective investment schemes and mutual funds	14	1.07	1 288 029	1.26
Total	1 309	100.00	102 288 545	100.00

Public and non-public shareholders

	Number of shareholders	Number of shares	Percentage of total issued shares
Shareholders holding greater than 10% of issued share capital	2	27 073 282	26.47
Directors and prescribed officers	7	24 512 783	23.96
Public shareholders	1 300	50 702 480	49.57
	1 309	102 288 545	100.00

Major shareholders

	Ordinary shares	Percentage of total issued share capital
The shareholders, other than directors, who are directly or indirectly beneficially interested in 5% or more of the Group's issued share capital at 31 March 2020 are as follows:		
Clearstream Banking SA Luxembourg	16 700 000	16.33
Rocklands Group Holdings Proprietary Limited	5 849 544	5.72
The shareholders, which are associates of directors and which hold 5% or more of the Group's issued share capital at 31 March 2020 are as follows:		
Poppy Ice Trading 23 Proprietary Limited	11 000 000	10.75
FISC Investment Management Proprietary Limited	10 875 562	10.63
Spalding Investments 10 Proprietary Limited*	10 373 282	10.14

* *Spalding Investments 10 Proprietary Limited (Spalding) is a BEE and staff company in which Elizna Read and Bianca Pieters collectively hold a 51.61% interest. Both directors consequently have an indirect beneficial interest in PBT Group Limited via their interest in their associate company, Spalding. Please refer to note 16 Share capital and note 19 Share-based payments of the Annual Financial Statements for more information on the transaction.*

Directors' holdings

The Directors' holdings at 31 March were as follows:

	Direct number of shares	Percentage	Indirect number of shares	Percentage
2020				
Tony Taylor	96 479	0.09	–	0.00
Elizna Read	532 560	0.52	4 350 086	4.25
Bianca Pieters	379	0.00	1 003 866	0.98
Cheree Dyers	198 426	0.19	5 610 000	5.48
Herman Steyn	170 132	0.17	10 875 562	10.63
Pierre de Wet	–	0.00	5 390 000	5.27
Murray Louw	128 924	0.13	1 510 321	1.48
	1 126 900	1.11	28 739 835	28.09
2019				
Tony Taylor	96 479	0.09	–	0.00
Pierre de Wet	–	0.00	5 390 000	4.93
Murray Louw	–	0.00	367 611	0.34
Cheree Dyers	198 426	0.18	5 610 000	5.14
Herman Steyn	170 132	0.16	10 875 562	9.95
	465 037	0.43	22 243 173	20.36

The Board of Directors has assessed the independence of each Board member, being Executive, Non-Executive or Independent Non-Executive. The Board is cognisant of the fact that each member has a duty to act with independence of mind in the best interest of the organisation.

The PBT Board believes they have the necessary knowledge, skill, experience, diversity and independence to fully discharge its governance role and responsibilities. Further to that, the Board believes that the independent designation for the Independent Non-Executive Directors are appropriate taking into consideration the indicators as set out in King IV together with other indicators holistically and on a substantce-over-form basis.

LETTER TO STAKEHOLDERS

TONY TAYLOR
INDEPENDENT NON-EXECUTIVE CHAIRMAN

ELIZNA READ
CHIEF EXECUTIVE OFFICER

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

"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.

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.

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 and the Letter to Stakeholders, which contains the details of the distribution, 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.

Please refer to the Directors' Report for more details on the distribution timetable.

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.

DIRECTORATE

ELIZNA READ
CHIEF EXECUTIVE OFFICER
Age 41
Appointed March 2020

Elizna joined PBT Group shortly after its inception in 2000 and has served in several managerial positions, thereby garnering extensive knowledge about all aspects of the Group's business. She was appointed as the Human Resources Director of PBT Group in 2008, promoted to Operations Director in 2014, followed by another promotion to Chief Operations Officer in April 2018. She was appointed as Chief Executive Officer of the Group in March 2020.

BIANCA PIETERS
CHIEF FINANCIAL OFFICER
Age 36
Appointed March 2020

Bianca qualified as a CA (SA) in early 2010. She joined PBT Group in 2010 as the Group Accountant and Company Secretary when PBT listed on the JSE via the Wooltru reverse listing. Together with the CFO and CEO, she has been responsible for all financial functions of the Group and also fulfilled the role of Corporate Governance Manager since April 2017.

TONY TAYLOR
LEAD INDEPENDENT NON-EXECUTIVE CHAIRMAN
Age 73
Appointed March 2017

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

CHEREE DYERS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 46

Appointed March 2017

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

ARTHUR WINKLER

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 43

Appointed May 2017

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

HERMAN STEYN

NON-EXECUTIVE DIRECTOR

Age 59

Appointed December 2012

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

CORPORATE GOVERNANCE

The Group embraces sound corporate governance and the principles of integrity, competence, responsibility, accountability, fairness and transparency.

In doing so, PBT Group is committed to the Code of Corporate Governance Practices and Conduct as set out in King IV. The Directors understand that good governance within the Group can create a sustainable value and long-term equity performance for all stakeholders. PBT's commitment to good governance is formalised in its charters, policies and operating procedures.

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

The purpose of this report is to assist stakeholders in evaluating the Group's approach to corporate governance and compliance with King IV.

The Board is satisfied that they have fulfilled their responsibilities in accordance with its charter for the 2020 financial year.

There is a clear division of responsibility at Board level with a balance of power and authority to ensure that no one individual has unfettered power of decision-making.

Board composition

The Board was made up of six Directors at year-end, namely Elizna Read, Bianca Pieters, Herman Steyn, Tony Taylor, Cheree Dyers and Arthur Winkler. Of the six Directors, there are three Independent Non-Executive Directors, one Non-Executive Director and two Executive Directors. The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence. The details of each Director are included on pages 12 and 13.

On 30 March 2020 the Board received and accepted the resignations of the Chief Executive Officer (CEO), Mr Pierre de Wet and Financial Director, 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 Chief Financial Officer (CFO) of the Company with effect from 31 March 2020.

Tony Taylor, who is an Independent Non-Executive Director, is the Chairman of the Board and Elizna Read is the Group's CEO. The responsibilities of the Chairman and CEO are separate.

The Board, together with the Remuneration and Nomination Committee, are responsible for identifying and nominating new Directors. The appointment process is conducted in a formal and transparent manner. In making new appointments the Committee and the Board take into account the blend of skills and experience as well as social and business concerns such as B-BBEE.

The roles of Executive and Non-Executive Directors are separate to ensure that no Director can exercise unrestricted decision-making powers. The Chairman provides guidance to the Board, encouraging proper deliberation on all relevant matters while obtaining input from other Directors.

The Executive Directors are primarily responsible for implementing strategy and operational decisions while Non-Executive Directors contribute their independent and objective knowledge and experience to Board deliberations.

In compliance with the JSE Listings Requirements, the Audit and Risk Committee considers the expertise and experience of the CFO and confirms its satisfaction with her performance to shareholders annually.

The Directors hold office until the next Annual General Meeting (AGM) when one-third of Directors will retire and, being eligible, make themselves available for re-election by the shareholders. The Executive Directors will not be required to retire on a rotational basis. The Non-Executive Directors have no fixed term of appointment and no service contracts with PBT Group. Letters of appointment confirm the terms of their service.

Board functioning

PBT Group's Board meets at least four times a year. Meetings are convened by formal notice incorporating a detailed agenda supported by relevant written proposals and reports.

In addition, the Memorandum of Incorporation of the Company provides for material decisions taken between meetings to be ratified by way of Directors' Resolutions. Details of Directors' attendance at Board and Committee meetings during the year are set out below:

Director	Meetings attended	Meetings eligible for
Tony Taylor (Chairman)	4	4
Pierre de Wet	4	4
Elizna Read*	–	–
Murray Louw	4	4
Bianca Pieters*	–	–
Cheree Dyers	4	4
Herman Steyn	3	4
Arthur Winkler	4	4

* *Elizna Read and Bianca Pieters were appointed on 31 March 2020 and were not eligible to attend any of the meetings as Executive Directors of the Company.*

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

The Company has an induction programme for all new employees and an open invitation is extended to the Non-Executive Directors to attend this programme. In addition, ongoing formal and informal training is provided to the Directors as is appropriate.

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

The Board of Directors performs an annual assessment of its performance through a detailed peer review and assessment questionnaire in order to assess the effectiveness of the Board and the Board members. The Board expressed that the outcome of this annual assessment was satisfactory.

The Directors confirm that the Company is in compliance with the provisions of the Companies Act and other relevant laws and regulations, and is operating in conformity with its Memorandum of Incorporation and constitutional documents.

Board Committees

The Board has delegated specific roles and responsibilities to various Committees. Presently there are three Committees within the Group: the Audit and Risk Committee, the Remuneration and Nomination Committee and the Social and Ethics Committee. The Board acknowledges that the delegation of its responsibilities does not reduce its accountability and, as such, the Board monitors and oversees the performance of all Committees.

Audit and Risk Committee

The Audit and Risk Committee comprises three Independent Non-Executive Directors, which is consistent with King IV and as described in section 94 of the Companies Act.

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011. The reappointment of Committee members will be a matter for consideration by shareholders at the forthcoming AGM.

In terms of the JSE Listings Requirements paragraph 3.84(g) and the recommended practices as per King IV, the Committee has performed an annual evaluation of the CFO and the finance function of the Group. During the current year the Committee is satisfied that the CFO and the finance function possess the appropriate expertise and experience to meet their responsibilities.

BDO South Africa Incorporated (BDO South Africa Inc.) was appointed as the Group's external auditor for the 2020 financial year. The Committee expressed its satisfaction that BDO South Africa Inc. is independent of the Group. BDO South Africa Inc. is accredited on the JSE's list of auditors in terms of its Listings Requirements. Each year the Committee reviews the extent of non-audit services provided by the external auditor. The Committee has reviewed the performance of the external auditor and has nominated, for approval by shareholders at the forthcoming AGM, BDO South Africa Inc, as the external auditor for the 2021 financial year, with Imtiaaz Hashim, a registered auditor and partner of BDO South Africa Inc, as the designated auditor.

The Audit and Risk Committee Report for the year ended 31 March 2020 is set out on pages 28 and 29.

Remuneration and Nomination Committee

The members of the Remuneration and Nomination Committee, which meets once during the year, are Cheree Dyers (Chairman), Herman Steyn, Tony Taylor and Arthur Winkler. All four members of the Committee are Non-Executive Directors of the company, the majority being independent. The primary responsibilities of this Committee include:

- Ensuring that the Group's Chairman, Directors and Senior Executives are rewarded for their contributions in accordance with individual performance.
- Ensuring the retention of key personnel through benchmarking Executive remuneration against industry norms, and taking individual and Group performance targets into account in determining Executive remuneration.
- Ensuring appropriate human resources strategies, policies and practices.
- Reviewing the composition and performance of the Board and its Committees.
- Overseeing the Board appointment process.
- Approving the remuneration of Directors and Senior Executives.

The CEO attends the Remuneration and Nomination Committee meetings in order to provide insights about the performance of the Executive Directors and Senior Executives of the Group. The Committee takes these insights into consideration whilst carrying out their responsibilities.

The Committee is satisfied that it has fulfilled its responsibilities during the financial year.

REMUNERATION AND NOMINATION COMMITTEE ATTENDANCE

Director	Meetings attended	Meetings eligible for
Cheree Dyers (Chairman)	1	1
Herman Steyn	1	1
Tony Taylor	1	1
Arthur Winkler	1	1

Social and Ethics Committee

The members of the Social and Ethics Committee are Cheree Dyers (Chairman), Elizna Read and Tony Taylor. Please see pages 12 and 13 for details on the qualifications and experience of the Directors. All members of the Committee are considered to be suitably qualified and experienced.

The responsibilities of the Committee are to monitor the Group's activities, taking into account relevant legislation, other legal requirements or prevailing codes of best practice, with regard to:

- Social and economic development.
- Corporate citizenship.
- Environment, health and public safety.
- Relationship with all stakeholders.
- Labour and employment.

The Committee meets at least once a year to discuss relevant matters. The Committee Chairman brings any issues that she believes relevant, to the attention of the Board at the next Board meeting.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference and as prescribed by the Companies Regulations to the Companies Act for the reporting period. There are no instances of non-compliance or other key areas of focus for the Committee besides the mandate of this Committee, which has been mentioned above.

SOCIAL AND ETHICS COMMITTEE ATTENDANCE

Director	Meetings attended	Meetings eligible for
Cheree Dyers (Chairman)	1	1
Elizna Read	1	1
Tony Taylor	1	1

Gender and race diversity

In terms of the JSE Listings Requirements the Board is required to have a policy on the promotion of gender and race diversity at Board level. A formal policy has been established and is available on our website. The Board is supportive of the need for, and importance of, gender and race diversity, and will be considering this when making new appointments to the Board. The approach to gender and race diversity adopted by the Board of the Company shall be as follows:

- Should a vacancy on the Board arise, or should there be a requirement for an additional Board appointment, consideration will be given to the gender and race of the Director/s so as to attain and maintain a level of gender and race diversity within the Board that is considered appropriate at the time, having due regard to the skills, expertise, experience and background required to fill any such Board position/s, the availability of suitable candidates, the development potential of candidates and to any additional requirements that may be necessary to ensure a mix of skills and experience on the Board and its Committees that will best serve the interests of the Company and its stakeholders.
- Application of the policy in effecting new or replacement appointments to the Board will be subject to the approval/ratification of the shareholders of the Company to such appointments at AGMs of the Company.

With the resignations of Messrs Pierre de Wet and Murray Louw the Board had considered its gender and race diversity, and endeavoured to increase female representation on the Board as one of its targets set out in the gender and race diversity policy.

Company Secretary

Anastassia Sousa is the Company Secretary for PBT Group. Ms Sousa was appointed as the Company Secretary on 31 March 2020 after the Board accepted the resignation of Mrs Bianca Pieters as the Company Secretary on 31 March 2020. In terms of the JSE Listings Requirements paragraphs 3.84(h) and 7.F.6(j), the Board of Directors must satisfy itself, on an annual basis, of the competence, qualifications and experience of the Company Secretary. The Board has satisfied itself of the competence, qualifications and experience of Ms Sousa before her appointment as Company Secretary. The Board has satisfied itself on these criteria by confirming the Company Secretary's qualifications and experience through verification with third parties. In terms of paragraph 4.8(c) of the JSE Listings Requirements, the Company Secretary should maintain an arm's length relationship with the Board of Directors and should ideally not be a Director. The Board is satisfied that an arm's length relationship does exist between the Company Secretary and itself, thus addressing any possible conflict of interest and/or dilution of the Company Secretary's independence.

Technology and information governance

The Audit and Risk Committee is responsible for the governance of technology and information within the Group. The Board has approved an information technology (IT) policy which details the specific terms and conditions around the use of IT within the Group. This policy includes detail on information security to support confidentiality, integrity and availability of information to authorised personnel. The Board has delegated the implementation of this policy to management and it oversees the process.

IT risk management meetings are held by Senior Executives where IT strategies and risks are discussed. Significant IT risks together with manners in which to mitigate those risks are documented in a Group risk register.

Stakeholder communication

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

Internal audit and internal control

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

These are designed to provide reasonable assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of the Group's assets, and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable statutory laws and regulations.

The Group strives to maintain internal controls that ensure financial reporting systems contain complete, accurate and reliable information and safeguard the Group's assets. The external auditors report to the shareholders and have ready access to the Chairman of the Audit and Risk Committee and the Directors.

Due to the size of the executive management structure it is not considered necessary to have an internal audit function.

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

Code of ethics

PBT Group's human resources policy includes the parameters within which staff and Directors are expected to conduct themselves. The policy includes a code of ethics which forms the foundation for the values and ethics of the Group. The policy also incorporates the 10 principles contained within the United Nations Global Compact Principles. Staff and Directors are expected to:

- Conduct themselves in a professional manner.
- Abide by the strictest code of ethical behaviour.
- Maintain an absolute degree of client and corporate confidentiality.
- Ensure that their personal positions are never placed before those of a client.
- Encourage an environment that is productive, efficient and entrepreneurial.
- Facilitate teamwork amongst peers, ensuring that all staff are treated with dignity and respect.

Conclusion

Governance procedures are reviewed on a regular basis to align with any legislative and regulatory changes that arise. The Board is satisfied with the manner in which the recommendations of King IV have been implemented to achieve good corporate governance within the Group.

ENTERPRISE RISK MANAGEMENT

PBT Group's vision for risk management is for decisions to be made based on an informed understanding of the risks involved and for risks to be managed within risk appetite and tolerance in the achievement of PBT Group's objectives.

Risk philosophy and governance

PBT Group is committed to its operations and innovation without compromising quality or assuming risk that is above what we are willing to accept.

Risk management plays a vital role in assisting PBT Group to understand the impacts and opportunities associated with achieving business priorities.

The Board is ultimately responsible for the governance of risk. The Audit and Risk Committee, as a subcommittee of the Board, assists the Board in carrying out these responsibilities by providing oversight of the adequacy of the risk management process.

Risk management is integral to promoting accountability and good governance. We are committed to embedding risk management into our business decision-making.

In creating shareholder value, the objectives of the risk management are as follows:

- Achieve the Group's performance and profitability goals.
- Prevent loss of resources.
- Ensure effective reporting and compliance with relevant laws and regulations.
- Protect the Group's reputation.
- Achieve our strategic objectives and effectively manage pitfalls and surprises along the way.

Please refer to our website for our material risk register as per the JSE LR's 8.63(s):

https://www.pbtgroup.co.za/investor-relations/

REMUNERATION REPORT

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

Background statement

Remuneration governance

The Remuneration and Nomination Committee comprises four members, all of whom are Non-Executive members. The members are Cheree Dyers (Chairman), Herman Steyn, Tony Taylor and Arthur Winkler. The Remuneration and Nomination Committee meets once a year and the meeting was attended by all members.

To ensure that the policy of remuneration is implemented and adhered to, the Remuneration and Nomination Committee is tasked with several responsibilities:

- Determine and approve the Group's general remuneration policy, which is presented at each Annual General Meeting (AGM) for approval by the shareholders.
- Ensure the retention of key personnel through benchmarking Executive remuneration against industry norms and taking individual and Group performance targets into account in determining Executive remuneration.
- Appraise the performance of the Chief Executive Officer.
- Approve the appointment and promotion of key Executives.
- Approve the annual increase percentages.
- Undertake an annual assessment of the effectiveness of the Committee and to report the findings to the Board.
- Approve any changes to the remuneration structure of the Group.
- Approve the performance targets for any long-term incentive awards.
- Prepare an annual Remuneration Report for inclusion in the Group's Integrated Report.

Due to the operational diversity of the Group and the number of employees across these units, the Committee has delegated the responsibility of allocating percentage increases of individual staff at a non-management level to the operational heads.

The Remuneration and Nomination Committee and the operational heads are fully supported through this process by the human resources function.

The Remuneration Policy

The Remuneration Policy aims to follow the guidelines and recommendations of King IV and is based on the following principles:

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

Employee salaries are subject to an annual review which considers the Group's performance, the performance of the individual, cost-of-living adjustments and changes in scope of an employee's role. Various industry surveys are utilised and employees are benchmarked against their respective industry peers to ensure that the remuneration levels are fair and competitive. Each employee is assessed in relation to a comprehensive peer review process that is conducted annually.

The Remuneration Policy and Implementation Report set out above are proposed to shareholders in separate non-binding advisory votes in terms of the Notice of AGM. In the event that either the Remuneration Policy or the Implementation Report, or both, are voted against by 25% or more of the votes exercised at the AGM, the Board of Directors will engage with such shareholders in order to clarify the nature of and evaluate the validity of such objections and will, where possible and prudent, given the objectives of the Remuneration Policy, take those objections into consideration when formulating any amendments to the Company's Remuneration Policy and Implementation Report in the following financial year.

Implementation Report

Executive Directors' remuneration

The remuneration paid to Executive Directors is set out in the table at the bottom of the page.

Mrs Elizna Read and Mrs Bianca Pieters were appointed as Directors of the Board on 31 March 2020 and did not receive any remuneration during the 2020 financial year in their capacity as Executive Directors.

Non-Executive Directors' remuneration

The Board, in reviewing Non-Executive Directors' fees, makes recommendations to shareholders considering, firstly, fees payable to Non-Executive Directors of comparable companies and, secondly, the importance attached to the retention and attraction of high-calibre individuals as Non-Executive Directors. Remuneration is reviewed annually, with reference to surveys of Non-Executive Directors' remuneration. This remuneration is not linked to the Company's share price or performance. Levels of fees are also set by reference to the responsibilities assumed by the Non-Executive Directors in chairing the Board and in chairing or participation in its Committees. To avoid a conflict of interest, the Remuneration and Nomination Committee, which consists entirely of Independent Non-Executive Directors, takes no part in the determination of Non-Executive Directors' fees or in the recommendation to the Board and shareholders. The Board annually recommends remuneration of Non-Executive Directors for approval by shareholders in advance.

The Non-Executive Directors' fees for the year were as follows:

	Emoluments	
Rand	2020	2019
Director		
Tony Taylor	327 520	323 323
Cheree Dyers	250 000	248 750
Herman Steyn	214 500	226 750
Arthur Winkler	244 000	243 250
Total	1 036 020	1 042 073

The Remuneration and Nomination Committee met once during the 2020 financial year and conducted its affairs in compliance with the Remuneration Policy. The Committee is satisfied that the overall principles set out by King IV have been applied and that the Companies Act has been adhered to.

Rand	Emoluments	Value of contri-butions paid	Bonuses	Fringe benefits	Total
Director					
2020					
Pierre de Wet	2 906 490	237 265	1 734 000	93 510	4 971 265
Murray Louw	720 000	8 985	–	–	728 985
Total	3 626 490	246 250	1 734 000	93 510	5 700 250
2019					
Pierre de Wet	2 750 820	235 788	937 800	90 411	4 014 819
Murray Louw	735 000	9 135	–	–	744 135
Total	3 485 820	244 923	937 800	90 411	4 758 954

SUSTAINABILITY REPORT

Broad-based Black Economic Empowerment (B-BBEE)

PBT Group remains committed to making a positive contribution towards transformation and the creation of sustainable B-BBEE in South Africa.

The PBT Group of companies holds the following B-BBEE certifications:

PBT Technology Services Proprietary Limited:	Level 4 Contributor
CyberPro Consulting Proprietary Limited:	Level 1 Contributor

CyberPro Consulting Proprietary Limited, being a 51%-owned subsidiary of the Group, conducts a separate B-BBEE verification process annually.

PBT Technology Services Proprietary Limited is the main operating subsidiary of PBT Group (South Africa) Proprietary Limited, which is a 100% subsidiary of PBT Group Limited and holding company for all of the Group's South African operations.

Subsequent to the 2020 B-BBEE verification, PBT Group subscribed to the Youth Employment Service (YES) Programme, opting for double the YES target. This will enable us to obtain a Level 2 B-BBEE rating at the end of our next financial year.

Employment equity and skills development

PBT Group has a staff complement of more than 640 highly skilled and professional consultants having worked in more than 27 countries worldwide. Our consultants have been exposed to various technologies and industries, and their wealth of experience has ensured the success of every client engagement. PBT Group is also committed to growing the available skills base and enhancing the quality of skills in the marketplace. This is being addressed through a specialised internship programme, which has allowed entry into a very competitive market for more than 172 BEE candidates to date. This programme was established in 2004 and is repeated annually.

Further to our internal internship programme where the focus is on information management, PBT Group partnered with an accredited training provider during 2018 in order to support a recognised learnership for BEE candidates with disabilities. To date 11 learners have obtained NQF-aligned qualifications through this initiative, with a further 11 due to qualify by July 2020.

Corporate social investment (CSI)

PBT Group is a responsible corporate citizen and the brand is continuously involved in various CSI initiatives. CSI beneficiaries during the 2020 financial year included The Web Foundation (a PBO focusing on the establishment of libraries in rural schools), Edunova (a NPC working in the education sector with a focus on the effective use of ICT in schools) and Siloam Ministries (an Atlantis-based denomination, providing weekly feeding programmes to the local community).

The Hillsong Africa Foundation (HAF) Innovation Hub continues to be PBT Group's main CSI beneficiary. During 2019 a group of 18 young people commenced training through the Innovation Hub that will see them acquire skills which will equip them to work in the digital economy. The first HAF Innovation Hub is situated strategically in the heart of Philippi and is on the forefront of combating unemployment and poverty. At the beginning of 2020 a further 28 students joined the programme. Amongst others, training programmes include graphic design, web development and coding.

Whilst the spread of the COVID-19 virus has already had devastating effects on South Africa, it has provided us with the opportunity to work closely with our community in trying to support the vulnerable during this time of crisis. To date our support has extended to Siloam Ministries in Atlantis, the HAF's Love on the Line initiative, Century City Feed-a-Family initiative as well as the Milnerton Community Action Network. It has been a privilege to extend a helping hand to these community initiatives in terms of financial support. We are especially proud of individuals within PBT Group who have been at the forefront of organising special feeding programmes during this time.

APPLICATION OF THE KING IV PRINCIPLES

The table below provides a brief summary and guidance on PBT Group's application of the King IV principles:

Principles	Arrangements, achievements, measurements and future focus areas
1. The governing body should lead ethically and effectively.	The Board is comprised of members who lead ethically and effectively by maintaining and upholding the values of integrity and fairness. The Board is guided by the Group's values and code of ethics. All Directors' interests are declared and reviewed at board meetings. The Board is suitably competent to steer the strategic direction of the Group. A formal review of the performance of the Directors are undertaken annually. The results are discussed and actioned by all concerned.
2. The governing body should govern the ethics of the Group in a way that supports the ethical culture of the Group.	The Social and Ethics Committee ensures that the code of ethics encompasses the ethos that the Group strives to uphold. The Board reviews and approves the Group's code of ethics and it delegates to management the responsibility for implementation and execution of the code of ethics.
3. The governing body should ensure that the Group is and is seen to be a responsible corporate citizen.	When determining the Group's strategy, the Board ensures that it considers various factors that influence the sustainability of the business. These factors include the effect on human capital, the economy, society and the environment. The Social and Ethics Committee monitors the Group's corporate citizenship and recommends and manages social development spend for the year. The Board ensures that the Group is compliant with all applicable laws and regulations in order to ensure that the Group is and is seen to be a responsible corporate citizen.
4. The governing body must ensure that the Group's core purpose, its risks and strategy are all inseparable elements of the value-creation process.	The Board understands the correlation between the Group's core purpose, its risks and its strategy. The Group's core purpose is determined by the Board and is achieved through the implementation of the Group's strategy. The Executive Directors of the Board hold numerous meetings during the year to deliberate over the Group's strategy. The Board continuously assesses the Group's strategy with reference to financial and non-financial indicators.
5. The governing body should ensure that reports issued by the Group enable stakeholders to make informed assessments of the Group's performance and its short, medium and long-term prospects.	The Board acknowledges its responsibility over the Group's financial and integrated reporting, supported by internal and external controls. The Board approves all external reports prior to publication. The Group makes the following reports publicly available to all stakeholders: • Annual Integrated Report, which includes the following: – Corporate Governance Report – Remuneration Report – Enterprise Development Report – Sustainability Report – Consolidated Annual Financial Statements The Group's Integrated Annual Report aims to provide the stakeholders with information about the Group's strategy, governance, performance and prospects over the short, medium and long term.
6. The governing body should serve as the focal point and custodian of corporate governance of the Group.	The overall responsibility for corporate governance within the Group lies with the Board. The Board records its roles, responsibilities and procedural conduct in a charter which is regularly reviewed and ensures that there is a structural approach to governance within the Group. There are at least four Board meetings held each year and attendance at these meetings is excellent. The Board is satisfied that it has fulfilled its responsibilities in terms of its charter for the year.

Principles	Arrangements, achievements, measurements and future focus areas
7. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to properly discharge its governance role and responsibilities objectively and effectively.	The Board is comprised of six directors, three of whom are Independent Non-Executive Directors, one Non-Executive Director and two Executive Directors. Each Director has their own skills and experiences, which brings diverse perspectives to Board meetings. The Directors are all adequately qualified and suitable to perform their responsibilities effectively. Brief summaries of each Director's qualifications, capacity, status and membership can be found on pages 12 and 13. The Board is considered to be of an appropriate size to enable it to meet and fulfil its governance role and responsibilities objectively and effectively. The Board performs an annual assessment of the performance of each Director and has found the current year review to be satisfactory.
8. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.	The Board carefully delegates specific roles and responsibilities to Directors and Committees. When delegating, the Board ensures that there is a balanced distribution of power so that no member can dominate decision-making. Furthermore, the delegation by the Board of its responsibilities does not reduce its accountability. The following Committees are in place: • Audit and Risk Committee • Remuneration and Nomination Committee • Social and Ethics Committee Each Committee comprises the appropriate mix of Directors. The roles and responsibilities delegated to each Committee are documented in a formal charter. Annual reviews of each charter are performed by the Board. The roles and responsibilities delegated to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are recorded and approved by the Board.
9. The governing body should ensure that the evaluation of its own performance and that of its Committees, its Chairperson and its individual members supports continued improvement in its performance and effectiveness.	The Board and all the Committees conduct an annual self-evaluation process to measure its respective performance and that of the Chairman. These results are reviewed by the Remuneration and Nomination Committee and presented to the Board for its conclusion. The suitability and effectiveness of the Company Secretary is reviewed by the Board on an annual basis.
10. The governing body should ensure that the appointment of and delegation to management contributes to role clarity and the effective exercise of authority and responsibilities.	The Board, together with the Remuneration and Nomination Committee, are responsible for the nomination and appointment of the CEO. The CEO reports to the Board on a quarterly basis regarding the implementation and execution of the Group's approved strategy, policies, operational planning and all other major business developments and proposals. Certain functions are delegated to senior management, who report to the CEO. The CEO undergoes a formal performance evaluation annually, the results of which are discussed with the Board. The Board has satisfied itself as to the appropriateness of this appointment. Succession planning is an ongoing focus area. The Group's Company Secretary provides professional corporate governance services to the Group. The Company Secretary reports to the Board on all statutory, regulatory and governance matters concerning the Group and to the CFO on all other duties and administrative matters. The performance and independence of the Company Secretary is evaluated by the Board on an annual basis and the Board has satisfied itself as to the appropriateness of this appointment.
11. The governing body should govern risk in a way that supports the Group in setting and achieving its strategic objectives.	The Audit and Risk Committee is responsible for monitoring risk in the Group which is integral to achieving strategic objectives. The Committee ensures that management identifies potential risks which may affect the Company or its operations and implements an effective risk management policy and plan, enhancing the Company's ability to achieve its strategic objectives.

APPLICATION OF THE KING IV PRINCIPLES [CONTINUED]

Principles	Arrangements, achievements, measurements and future focus areas
12. The governing body should govern technology and information in a way that supports the Group in setting and achieving its strategic objectives.	The Board acknowledges that information technology (IT) is an integral component of the Group's strategy. The Audit and Risk Committee is responsible for governance of technology and information. IT risks are monitored on a weekly basis and any significant risks or changes are reported to management. The Group has an IT policy in place to manage ethical and responsible use of technology and information. Any major IT investments are approved by management after taking into consideration costs and risks.
13. The governing body should govern compliance with applicable laws, non-binding rules, codes and standards in a way that supports the Group being ethical and a good corporate citizen.	Sasfin Capital is the Group's Sponsor and advises the Board, through the Company Secretary, on compliance with the JSE Listings Requirements. No regulatory penalties, sanctions or fines were imposed by the JSE Limited against the Group or any of the Directors of the Board. The Group also consults their legal team and auditors to ensure compliance with applicable laws and regulations.
14. The governing body should ensure that the Group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The Remuneration and Nomination Committee is responsible for setting remuneration policies that are aligned with the Group's strategy. The aim of remuneration in the Group is to reward staff for their contribution to long-term operating and financial performance of the Group. The overall philosophy is to ensure that the remuneration of employees is competitive and that the Group attracts, motivates and retains individuals that are of the right calibre. Details about the Group's approach to remuneration, policy and implementation are disclosed in the Remuneration Report.
15. The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the Groups' external reports.	The Board relies on internal and external assurance providers to aid an effective control environment. The Audit and Risk Committee oversees the assurance services within the Group. The consolidated annual financial statements included in the 2020 Integrated Report were independently audited by BDO South Africa Inc. Based on the size of the Group, PBT Group does not have a separate internal audit function. The information included in the Integrated Report is compiled to disclose information about the Group's business performance, risks, opportunities and prospects. The Audit and Risk Committee is satisfied that control systems and procedures are suitably enforced, maintained and supervised by qualified personnel, with appropriate segregation of authority, responsibilities and reporting lines.
16. In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	The Board ensures the development of appropriate policies that appreciate that stakeholders' perceptions affect the Group's reputation. The Social and Ethics Committee is responsible for providing guidance on and oversight of the Group's activities regarding the social and economic development, corporate citizenship, environment, health and public safety, relationship with all stakeholders, labour and employment, and to monitor the company's sustainability and governance performance in this regard.
17. The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote the good governance and the creation of value by the companies in which it invests.	Principle 17 is not applicable.

2020

ANNUAL FINANCIAL STATEMENTS

These financial statements have been prepared under the supervision of the Chief Financial Officer, Bianca Pieters.

Audited in compliance with the applicable requirements of the Companies Act.

PBT group
DATA SPECIALISTS

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (the Committee) is pleased to present its report for the year ended 31 March 2020.

Role of the Commitee

The Committee is constituted as a statutory committee of the Company in terms of section 94 of the Companies Act, Act 71 of 2008 of South Africa, as amended (Companies Act) and a Committee of the Board of Directors of the Company in terms of all other duties assigned to it by the Board of Directors. In terms of the Companies Act, this Committee has an independent role with accountability to the Board of Directors and shareholders of the Company. The Committee does not assume the functions of management, which remain the responsibility of the Executive Directors, Prescribed Officers and other members of senior management, nor does it assume accountability of the functions performed by other Committees of the Board of Directors.

Composition of the Committee

The Committee members are elected annually by shareholders at the Annual General Meeting (AGM) of the Company on the recommendation of the Board of Directors. The Audit and Risk Committee throughout the period comprised three Independent Non-Executive Directors, which is consistent with King IV and as described in section 94 of the Companies Act.

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

Objective and scope

The Committee specifically oversees the following functions:

- To annually assess the appointment of the external auditor and confirm their independence, recommend their appointment to the AGM and approving their fees.
- Liaison with the external auditor.
- To review the work of the group's external auditor to ensure the adequacy and effectiveness of the group's financial, operating compliance and risk management controls.
- Regulation of non-audit work performed by the external auditor.
- Ensure that appropriate financial reporting procedures exist and are working.
- To perform duties that are attributed to it by its mandate from the Board, the Companies Act, the JSE Limited and regulatory requirements.
- Recommendation of financial statements for approval by the Board.
- Monitoring of the adequacy and effectiveness of the internal control systems.
- Safeguarding the Group's and clients' assets.
- Assessment of the risk management process.
- Assessment of the governance processes.
- Assessment of the skills, expertise and capability of the finance function.

During the year under review the Committee:

- Considered and satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer (CFO).
- Ensured that the Group has established appropriate financial reporting procedures and that those procedures are operating.
- Requested from the audit firm and, if necessary, consulted with the audit firm on the information detailed in paragraph 22.15(h) of the JSE Listings Requirements in its assessment of the suitability for appointment of the audit firm.
- Received and reviewed reports from the external auditor concerning the effectiveness of the internal control environment, systems and processes.
- Considered the independence and objectivity of the external auditor and ensured that the scope of any additional services provided was not such that they could be seen to have impaired their independence.
- Reviewed and recommended for adoption by the board, such financial information that is publicly disclosed, which for the year included the consolidated financial statements for the year ended 31 March 2020.

The role of the Audit and Risk Committee is to assist the Board in fulfilling its responsibility regarding financial and auditing oversight, as well as the overall quality and integrity of financial and internal controls.

Expertise and experience of the CFO

In terms of the JSE Listings Requirements, paragraph 3.84(g), and the recommended practices as per King IV, the Committee has performed an annual evaluation of the CFO and the finance function of the Group. During the current year the Committee is satisfied that the CFO and the finance function possess the appropriate expertise and experience to meet their responsibilities.

On 30 March 2020 Mr Murray Louw resigned as the Financial Director of the Group and Mrs Bianca Pieters was appointed as CFO in his stead on 31 March 2020. The Board has evaluated the expertise and experience of the newly appointed CFO and is satisfied that she will be able to fulfil the role.

Accounting practices and internal control

Internal controls and systems have been designed to provide reasonable assurance as to the integrity and reliability of the financial information represented in the financial statements, and to safeguard, verify and maintain the assets of the Group. Nothing has come to the attention of the Committee to indicate that any material breakdown in the functioning of the Group's key internal control systems has occurred during the year under review. The Committee considers the Group's accounting policies, practices and financial statements to be appropriate.

The Committee has reviewed the JSE's proactive monitoring review findings and has considered making corrections/adjustments where applicable.

Due to the size of the executive management structure it is not considered necessary to have an internal audit function.

External audit

BDO South Africa Incorporated (BDO South Africa Inc.) (previously BDO Cape Incorporated) was appointed as the Group's external auditor for the 2020 financial year. The Committee expressed its satisfaction that BDO South Africa Inc. is independent of the Group. BDO South Africa Inc. is accredited on the JSE's list of auditors in terms of its Listings Requirements. Each year the Committee reviews the extent of non-audit services provided by the external auditor. The external auditor's current tenure is three years. As per the Companies Act, an audit engagement partner is permitted to continue in such capacity for a period of five consecutive years. No mandatory audit engagement partner rotation is required in the current financial year.

The Committee has reviewed the performance of the external auditor and has nominated, for approval by shareholders at the forthcoming AGM, BDO South Africa Inc. as the external auditor for the 2021 financial year, with Mr Imtiaaz Hashim, a registered auditor and partner of BDO South Africa Inc, as the designated auditor.

The Committee has reviewed the firm and engagement partner's quality reports and have considered the performance and quality to be satisfactory.

The Committee has requested from the audit firm the information detailed in paragraph 22.15(h) of the JSE Listings Requirements in its assessment of the suitability for the appointment of the audit firm.

The Committee, in consultation with executive management, agrees to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope. The Board has approved the audit fee for the 2020 financial year.

The Audit and Risk Committee has considered and preapproved all non-audit services provided by the external auditor and the fees relative thereto so as to ensure the independence of the external auditor is maintained. The Board is satisfied that the external auditor is still independent taking into consideration non-audit services provided to the Company.

Key audit matters

The Committee notes the key audit matter set out in the independent auditor's report, which is:

- Valuation of goodwill

The Committee has considered and evaluated this matter and is satisfied that it is represented correctly.

Financial statements

The Committee has evaluated the consolidated annual financial statements for the year ended 31 March 2020 and considers that they comply in all material aspects with the requirements of the Companies Act and International Financial Reporting Standards. The Committee has therefore recommended the Integrated Report to the Board for approval. The Board has subsequently approved the consolidated annual financial statements.

Meetings

The Audit and Risk Committee performs the duties as set out in section 94(7) of the Companies Act by holding meetings with key role players on a regular basis and by the unrestricted access granted to the external auditor.

The Audit and Risk Committee meets at least three times a year.

A standing invitation to meetings of this Committee is issued to the following individuals who can provide insight into the items under review:

- Chief Executive Officer
- Chief Financial Officer
- Representatives of the external auditor

Arthur Winkler
Audit and Risk Committee Chairman

17 July 2020

Audit and Risk Committee attendance

Director	Meeting 1: 21 Jun 2019	Meeting 2: 22 Nov 2019	Meeting 3: 27 Mar 2020	Eligible for meetings
Cheree Dyers	Attended	Attended	Attended	Yes
Tony Taylor	Attended	Attended	Attended	Yes
Arthur Winkler	Attended	Attended	Attended	Yes

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act, Act 71 of 2008 (as amended) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

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

The external auditors are responsible for independently auditing and reporting on the Group's consolidated financial statements. The consolidated financial statements have been examined by the Group's external auditors and their report is presented on pages 35 to 37.

The consolidated and separate annual financial statements set out on pages 31 to 102, which have been prepared on the going concern basis, were approved by the Board of Directors on 17 July 2020 and were signed on their behalf by:

Tony Taylor
Chairman

Elizna Read
Chief Executive Officer

Cape Town
17 July 2020

DECLARATION BY COMPANY SECRETARY

Group secretary's certification

In terms of section 88(2)(e) of the Companies Act, Act 71 of 2008 (as amended) (Companies Act) I certify that the Group has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

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

Anastassia Sousa, CA (SA)
Company Secretary

Cape Town
17 July 2020

DIRECTORS' REPORT

The Directors have pleasure in submitting their report on the consolidated and separate annual financial statements of PBT Group Limited and the Group for the year ended 31 March 2020.

Nature of business

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

There have been no material changes to the nature of the Group's business from the prior year.

Review of financial results and activities

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and the Listings Requirements of the JSE Limited. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 2.

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

Refer to note 40 on page 98 for a detailed breakdown of the proportion of net income or loss attributable to the various divisions of the Group.

Share capital

During the year various transactions affected the share capital of the Group. These include:

- tender offer made to shareholders to repurchase up to 4.99999%; and
- delisting and cancellation of shares repurchased under general repurchase authority.

Refer to note 16 Share capital of the consolidated and separate annual financial statements for detail of the movement in authorised and issued share capital.

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.

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 and Letter to Stakeholders, 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 shares 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:

Election period opens	Friday, 17 July 2020
Last day to trade "cum distribution"	Tuesday, 4 August 2020
First trading day "ex distribution"	Wednesday, 5 August 2020
Record date	Friday, 7 August 2020
Dividend/election period closes by 12:00 on	Friday, 7 August 2020
Payment date	Tuesday, 11 August 2020

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.

Directors

On 30 March 2020 the Board has received and accepted the resignations of the CEO, Mr Pierre de Wet and CFO, 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. The Directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
Tony Taylor	Chairman	Independent Non-Executive	
Elizna Read	Chief Executive Officer	Executive	Appointed 31 March 2020
Bianca Pieters	Chief Financial Officer	Executive	Appointed 31 March 2020
Cheree Dyers		Independent Non-Executive	
Herman Steyn		Non-Executive	
Arthur Winkler		Independent Non-Executive	
Pierre de Wet	Chief Executive Officer	Executive	Resigned 30 March 2020
Murray Louw	Financial Director	Executive	Resigned 30 March 2020

Directors' interests in shares

As at 31 March 2020 the Directors of the Company held direct and indirect beneficial interests in 29.19% (2019: 20.79%) of its issued ordinary shares, as set out below.

Interests in shares

	Direct		Indirect	
Directors	**2020**	2019	**2020**	2019
Tony Taylor	96 479	96 479	–	–
Elizna Read	532 560	–	4 350 086	–
Bianca Pieters	379	–	1 003 866	–
Cheree Dyers	198 426	198 426	5 610 000	5 610 000
Herman Steyn	170 132	170 132	10 875 562	10 875 562
Pierre de Wet	–	–	5 390 000	5 390 000
Murray Louw	128 924	–	1 510 321	367 611
	1 126 900	465 037	28 739 835	22 243 173

The register of interests of Directors and others in shares of the Company is available to the shareholders on request. There were no changes to the Directors' shareholding between the end of the financial year and the date of the approval of the Integrated Report.

Company Secretary

Bianca Pieters resigned from the position of Group Company Secretary on 30 March 2020. The Board appointed Anastassia Sousa CA (SA) as the Group Company Secretary on 31 March 2020.

Business address

PBT House
2 Mews Close
Waterford Mews
Century City
7441

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

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

All Directors have access to the advice and services of the Company Secretary. The Board considered the competence, qualifications and experience of the Company Secretary and is satisfied that they are appropriate. This was concluded after due assessment following a review by the Remuneration Committee of the Company regarding the Company Secretary's qualifications, experience and performance.

Auditors

BDO South Africa Inc. continued in office as auditors for the Company and its subsidiaries for 2020. At the Annual General Meeting the shareholders will be requested to reappoint BDO South Africa Inc. as the independent external auditors of the Company and to confirm Imtiaaz Hashim as the designated lead audit partner for the 2021 financial year.

Report of the Audit and Risk Committee

The Report of the Audit and Risk Committee, as required in section 94(7)(f) of the Companies Act, is set out on pages 28 and 29 of these consolidated annual financial statements.

Board evaluation of the Audit and Risk Committee

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

Going concern and events after reporting period

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.

Events after the reporting period

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 measures, 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 have seen 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.

Refer to the detailed notes on pages 94 and 95 for the possible effects on the statement of financial position and statement of profit or loss and other comprehensive income.

Date of authorisation for issue of financial statements

The consolidated and separate annual financial statements have been authorised for issue by the Directors on 17 July 2020. No authority was given to anyone to amend the consolidated and separate annual financial statements after the date of issue.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PBT GROUP LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of PBT Group Limited (the Group and Company) set out on pages 38 to 102, which comprise the consolidated and separate statements of financial position as at 31 March 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of PBT Group Limited as at 31 March 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters in respect of the separate financial statements.

The following key audit matter relates to the consolidated financial statements.

Key audit matter	Audit responses
GOODWILL – NOTE 6 At 31 March 2020 goodwill comprises 35% of total assets as per the statement of financial position. In terms of IAS 36 Impairment of Assets, management is required to annually test goodwill for impairment. We have determined this is a key audit matter due to the judgement required by management in preparing a "value-in-use" model to satisfy the impairment test. Forecasting future cash flows and applying an appropriate discount rate, inherently involves a high degree of estimation uncertainty and judgement applied by management. Management is aware of the uncertainty regarding future cash flows as a result of COVID-19. Therefore, management based its cash flow projections on historical information as well as the possible effect that COVID-19 will have on the profitability of the Company within the next 12 months.	Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included, amongst others: • Assessing the design and implementation of key controls in the goodwill impairment process performed by management. • Reviewing and assessing the model used for compliance with IAS 36 Impairment of Assets. • Verifying the mathematical accuracy and methodology appropriateness of the underlying model calculations. • Involving our internal valuation specialist to assess the reasonability of the inputs by comparing the key growth rate assumptions to historical results, economic and industry forecasts, and assessing the discount rate by reference to the cost of capital of the Group. • Comparing actual results to the 2020 financial year forecast included in the prior year to assess the accuracy of management's forecasting capabilities. Past forecasts were compared to current forecasts to further assess managements forecasting capabilities. • Performing a sensitivity analysis to assess the effect of reasonably possible changes in key assumptions. We also focused on the adequacy and completeness of the disclosure in the financial statements in terms of IAS 36 Impairment of Assets.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "PBT Group Limited Integrated Report for the year ended 31 March 2020", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of PBT Group Limited for three years.

BDO South Africa

BDO SOUTH AFRICA INCORPORATED
Registered Auditors

Imtiaaz Hashim
Director
Registered Auditor

17 July 2020

119 – 123 Hertzog Boulevard
Foreshore
Cape Town
8001

STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

Rand	Notes	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
ASSETS					
Non-current assets					
Plant and equipment	4	3 224 012	4 247 142	–	–
Right-of-use assets	5	18 145 257	–	–	–
Goodwill	6	135 666 420	135 666 420	–	–
Intangible assets	7	214 470	244 626	–	–
Investments in subsidiaries	8	–	–	123 131 783	103 217 726
Loans to Group companies	9	–	–	91 432 389	118 665 805
Loans receivable	10	7 294 734	6 458 606	–	–
Investments at fair value	11	44 774 653	26 868 915	–	–
Deferred tax asset	12	2 518 870	2 891 191	267 972	395 146
		211 838 416	176 376 900	214 832 144	222 278 677
Current assets					
Loans receivable	10	1 354 994	1 295 275	–	–
Trade and other receivables	13	102 908 261	112 075 437	–	125 758
Current tax receivable		753 287	521 042	156 232	–
Cash and cash equivalents	14	66 277 822	31 079 809	66 918	626 135
		171 294 364	144 971 563	223 150	751 893
Total assets		383 132 780	321 348 463	215 055 294	223 030 570
EQUITY AND LIABILITIES					
Equity					
Equity attributable to equity holders of parent					
Share capital	16	503 830 445	3 490 921	2 405 301 798	2 020 992 014
Foreign currency translation reserve	20	12 767 031	4 979 890	–	–
Share-based payment reserve	19	295 723	32 147	295 723	32 147
Capital distribution reserve	18	(507 891 687)	–	(393 854 092)	–
Equity revaluation reserve		13 578 185	470 363	–	–
Treasury shares	17	(20 110 716)	–	(16 500 000)	–
Retained income/(Accumulated loss)		276 024 222	247 931 820	(1 780 245 845)	(1 799 169 407)
		278 493 203	256 905 141	214 997 584	221 854 754
Non-controlling interest		19 394 722	13 854 001	–	–
Total equity		297 887 925	270 759 142	214 997 584	221 854 754
LIABILITIES					
Non-current liabilities					
Lease liabilities	5	14 201 166	–	–	–
Deferred tax liability	12	149 851	1 615 464	–	–
		14 351 017	1 615 464	–	–
Current liabilities					
Trade and other payables	21, 38	62 295 591	46 096 082	57 710	93 540
Lease liabilities	5	5 346 423	–	–	–
Current tax payable		3 158 737	2 777 895	–	1 082 276
Bank overdraft	14	93 087	99 880	–	–
		70 893 838	48 973 857	57 710	1 175 816
Total liabilities		85 244 855	50 589 321	57 710	1 175 816
Total equity and liabilities		383 132 780	321 348 463	215 055 294	223 030 570

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2020

Rand	Notes	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Continuing operations					
Revenue	22	672 504 313	588 414 409	–	–
Cost of sales	23	(505 203 208)	(440 865 367)	–	–
Gross profit		167 301 105	147 549 042	–	–
Other operating income	24	1 134 341	1 272 869	1 707 994	1 882 129
Other operating gains/(losses)	25	159 593	(497 750)	–	–
Movement in credit loss allowances	26	(1 015 921)	4 752 726	454 191	2 790 720
(Loss)/gain on exchange movements	25	(289 398)	1 152 300	795 623	1 165
Impairment loss	26	–	(38 367)	–	(213 071)
Reversal of impairment loss	25	–	–	18 713 755	–
Other operating expenses		(102 166 602)	(106 048 629)	(2 295 382)	(5 334 037)
Operating profit/(loss)	26	65 123 118	48 142 191	19 376 181	(873 094)
Investment income	27	2 868 442	3 812 254	107 383	36 587
Finance costs	28	(1 985 419)	(1 208 747)	–	(7 262)
Profit/(loss) before taxation		66 006 141	50 745 698	19 483 564	(843 769)
Taxation	29	(20 002 100)	(17 097 985)	(560 002)	(1 444 347)
Profit/(loss) from continuing operations		46 004 041	33 647 713	18 923 562	(2 288 116)
Discontinued operations					
Profit from discontinued operations	15	–	9 113 855	–	23 585 663
Profit for the year		46 004 041	42 761 568	18 923 562	21 297 547
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	31	20 894 963	(7 458 918)	–	–
Total comprehensive income for the year		66 899 004	35 302 650	18 923 562	21 297 547
Profit attributable to:					
Owners of the parent					
From continuing operations		29 608 521	22 299 599	18 923 562	(2 288 116)
From discontinued operations		–	9 113 855	–	23 585 663
		29 608 521	31 413 454	18 923 562	21 297 547
Non-controlling interest					
From continuing operations		16 395 520	11 348 114	–	–
		46 004 041	42 761 568	18 923 562	21 297 547
Total comprehensive income attributable to:					
Owners of the parent		50 503 484	23 954 536	18 923 562	21 297 547
Non-controlling interest		16 395 520	11 348 114	–	–
		66 899 004	35 302 650	18 923 562	21 297 547
Earnings per share (cents)					
From continuing operations					
Basic earnings per share	39	30.65	17.97		
Diluted earnings per share	39	30.65	17.97		
From discontinued operations					
Basic earnings per share	39	–	7.35		
Diluted earnings per share	39	–	7.35		

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	31	–	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	18	496 159 926	–	–	(496 159 926)
Reallocation to treasury shares	17	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		16	20, 31	19, 26	18

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
31	17		31		8	

STATEMENT OF CHANGES IN EQUITY [CONTINUED]

for the year ended 31 March 2020

Rand	Notes	Share capital	Capital distribution reserve	Share-based payment reserve
COMPANY				
Balance at 1 April 2018*		2 083 544 803	–	–
Profit for the year		–	–	–
Total comprehensive income for the year		–	–	–
Specific repurchase of shares		(42 708 858)	–	–
Shares repurchased from dissenting shareholders		(3 343 931)	–	–
Share-based payment shares included as treasury shares		(16 500 000)	–	–
Share-based payment		–	–	32 147
Total contributions by and distributions to owners of Company recognised directly in equity		(62 552 789)	–	32 147
Balance at 1 April 2019		2 020 992 014	–	32 147
Profit for the year		–	–	–
Other comprehensive income		–	–	–
Total comprehensive income for the year		–	–	–
Share-based payment		–	–	263 576
Shares repurchased		(2 499 907)	–	–
Capital distribution		–	(11 968 341)	–
Shares repurchased – tender offer		(11 576 060)	–	–
Reallocation of capital distribution		381 885 751	(381 885 751)	–
Reallocation of treasury shares		16 500 000	–	–
Total contributions by and distributions to owners of Company recognised directly in equity		384 309 784	(393 854 092)	263 576
Balance at 31 March 2020		2 405 301 798	(393 854 092)	295 723
Notes		16	18	19, 26

* *There was a reclassification between equity accounts to the value of R2.2 million on 1 April 2018. The total amount is insignificant to the Group and had no effect on the total equity amount.*

Treasury shares	Total reserves	Accumulated loss	Total equity of the Company
–	–	(1 820 466 954)	263 077 849
–	–	21 297 547	21 297 547
–	–	21 297 547	21 297 547
–	–	–	(42 708 858)
–	–	–	(3 343 931)
–	–	–	(16 500 000)
–	32 147	–	32 147
–	32 147	–	(62 520 642)
–	32 147	(1 799 169 407)	221 854 754
–	–	18 923 562	18 923 562
–	–	–	–
–	–	18 923 562	18 923 562
–	263 576	–	263 576
–	–	–	(2 499 907)
–	(11 968 341)	–	(11 968 341)
–	–	–	(11 576 060)
–	(381 885 751)	–	–
(16 500 000)	(16 500 000)	–	–
(16 500 000)	(410 090 516)	–	(25 780 732)
(16 500 000)	(410 058 369)	(1 780 245 845)	214 997 584
17			

STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

Rand	Notes	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Cash flows from operating activities					
Cash generated from operations	30	102 124 509	36 526 175	610 250	103 751
Interest income		2 360 028	3 812 254	26 853	36 587
Dividends received		–	–	80 530	–
Finance costs		(1 982 703)	(1 208 747)	–	(7 262)
Tax paid		(20 899 771)	(13 637 077)	(1 671 336)	(203 231)
Cash flows of discontinued operations		–	1 089 358	–	–
Net cash from operating activities		81 602 063	26 581 963	(953 703)	(70 155)
Cash flows from investing activities					
Purchase of plant and equipment	4	(894 904)	(1 144 278)	–	–
Sale of plant and equipment	4	1 771	77 477	–	–
Purchase of intangible assets	7	(339 491)	(304 255)	–	–
Proceeds from loans with Group companies		–	–	29 970 796	676 858
Repayment of loans with Group companies		–	–	(3 532 002)	(1 300 000)
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)	26 438 794	(623 142)
Cash flows from financing activities					
Share-based payment advance	19	–	(16 500 000)	–	–
Shares repurchased	16, 17	(4 355 058)	–	(2 499 907)	–
Shares repurchased from dissenting shareholders	16	–	(3 343 931)	–	–
Dividend paid to non-controlling interests		(12 250 000)	(4 410 000)	–	–
Capital distribution		(11 731 761)	–	(11 968 341)	–
Shares repurchased – tender offer		(11 576 060)	–	(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)	(26 044 308)	–
Total cash movement for the year		35 188 668	(3 063 793)	(559 217)	(693 297)
Cash at the beginning of the year		30 979 929	34 050 659	626 135	1 319 432
Effect of exchange rate movement on cash balances		16 138	(6 937)	–	–
Total cash at the end of the year	14	66 184 735	30 979 929	66 918	626 135

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. Significant accounting policies

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

1.1 Basis of preparation

The consolidated and separate 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 consolidated and separate annual financial statements and the Companies Act, Act 71 of 2008 of South Africa, as amended.

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

The consolidated and separate 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 and Company's functional currency.

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

1.2 Consolidation

Basis of consolidation

The consolidated and separate annual financial statements incorporate the annual financial statements of the Company and all its subsidiaries. Subsidiaries are entities which are controlled by the Group.

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

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

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

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

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate 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 36 Going concern and note 37 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 11 Investments at fair value and note 35 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 36 Going concern and note 37 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.

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

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

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

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

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

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

1.5 Intangible assets

Intangible assets are initially recognised at cost.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to a nil value as follows:

Item	Average useful life
Computer software	2 years
Internally developed software	5 years
Other intangible assets	5 years

1.6 Investments in subsidiaries

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

1.7 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group as applicable, are as follows:

- Financial assets which are equity instruments:
  - mandatorily at fair value through profit or loss; or
  - designed as at fair value through other comprehensive income.
- Financial assets which are debt instruments:
  - amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.)
- Financial liabilities:
  - amortised cost.

Note 34 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Financial assets

Amortised cost

These assets arise principally from the provision of services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised.

For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Impairment

Definition of default

A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is assessed based on the number of factors, including various liquidity and solvency ratios.

Signficiant increase in credit risk (SICR) assessment

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience, cash flow and liquid asset position and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate as well as consideration of various external sources of actual and forecast economic information.

Fair value through profit and loss

The Group has an investment in an unlisted entity which is not accounted for as a subsidiary, an associate or a jointly controlled entity. For this investment the Group classified the investment at fair value through profit and loss as the Group considers this measurement to be the most representative of the business model for this asset. It is carried at fair value, with changes in fair value recognised in profit or loss in other operating gains or losses.

Fair value through other comprehensive income

The Group has an investment in an unlisted entity which is not accounted for as a subsidiary, an associate or a jointly controlled entity. For this investment the Group has made an irrevocable election to classify the investment at fair value through other comprehensive income as the Group considers this measurement to be the most representative of the business model for this asset. It is carried at fair value, with changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve. Upon disposal any balance within the revaluation reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Financial liabilities

The Group classifies its financial liabilities into one category, being amortised cost.

Amortised cost

Financial liabilities include bank overdrafts and trade and other payables and are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position.

1.8 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

Tax expenses

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

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

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

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

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. 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.

1.9 Leases

The Group assesses whether a contract is, or contains, a lease at the inception of the contract.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains, a lease management determines whether the asset under consideration is “identified”, which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for:

- leases of low-value assets; and
- leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company’s incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

1.10 Leases (comparatives under IAS 17)

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

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

Any contingent rents are expensed in the period they are incurred.

1.11 Non-current assets (disposal groups) held for sale or distribution to owners

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

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

1.12 Share capital and equity

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

Ordinary shares are classified as equity.

Ordinary shares are recognised at par value and classified as “share capital” in equity. Any amounts received from the issue of shares in excess of par value is classified as “share premium” in equity. Dividends are recognised as a liability in the group in which they are declared.

1.13 Treasury shares

Consideration paid for the purchase of treasury shares is recognised directly in equity. The cost of treasury shares held is presented in a separate reserve. Treasury shares represent shares held by a subsidiary within the Group. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

Included in treasury shares are shares held by a BEE and staff company called Spalding Investments 10 Proprietary Limited. A loan has been advanced to this company to purchase shares in PBT Group Limited, with the only recourse being the shares in PBT Group Limited. This loan receivable is not recognised as a financial asset but rather as treasury shares until the loan has been repaid according to the terms and conditions of the transaction.

1.14 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

1.15 Capital distribution reserve

During the current year the Group and Company created a new reserve, namely the capital distribution reserve. All distributions paid to the shareholders designated as out of the capital of the Company are recognised in the capital distribution reserve.

1.16 Revenue from contracts with customers

The Group recognises revenue from the following major sources:

- time and material contracts;
- fixed price contracts;
- project-based contracts;
- software licence sales (off the shelf); and
- usage-based licences.

Performance obligations and timing of revenue recognition

The Group provides business intelligence and information managed services to various customers.

Revenue from time and material contracts as well as fixed price contracts is recognised on an over time basis as the customer simultaneously receives and consumes the service that the Company provides. Revenue from providing services is recognised in the accounting period in which the service is rendered, i.e. when the performance obligation of the contract is met.

For time and material contracts, revenue is recognised as and when the service is provided, based on the number of hours worked per resource. For fixed price contracts, revenue is recognised monthly at a fixed amount per the contract as and when the service is provided. For both these types of contracts the Group has elected to take advantage of the practical expedient available in paragraph B16 of IFRS 15 because the amount invoiced corresponds directly with the value to the customer of the Group’s performance completed to date.

No significant judgements have been made when determining the performance obligations and timing of recognition of revenue.

Project contracts are recognised on an over time basis at an amount agreed upon in the contract between the Group and the customer. Each project comprises a single performance obligation. The project satisfies the performance obligation over time as the Group’s performance does not create an asset with an alternative use and the Group has an enforceable right to payment for the performance completed to date.

The Group sells standard off-the-shelf software licences to customers. These software licences are sold separately and are not included as part of any service contract.

Software licence revenue is therefore recognised at a point in time, when control of the good is transferred to the customer. There is limited judgement needed in identifying the point when control passes as transfer occurs once the software is activated for the customer.

Revenue from usage-based licences is recognised on an over time basis. The Group has elected to use the practical expedient available in paragraph B16 of IFRS 15 as the usage-based licence fee invoiced monthly corresponds to the value to the customer of the performance completed to date.

Payment terms for the majority of the contracts are 30 days from the date of statement. The Group does not expect to have any contracts where the period between the transfer of the services to the customer and payment by the customer exceeds one year. As a result the Group does not adjust any of the transaction prices for a significant financing component.

Due to the nature of the Group's revenue, no obligations exist for returns or refunds.

Determining the transaction price and allocating amounts to performance obligations

The transaction price is determined based on the type of revenue contract.

Time and material contracts have predefined rates per hour per resource, as stipulated in the contract. These rates per hour are considered by management to be the stand-alone rates applicable to each type of resource.

Fixed price contracts have predetermined monthly amounts stipulated in each contract and, therefore, this amount reflects the transaction price.

Time and material, and fixed price contracts do not contain elements of variable consideration such as volume rebates, discounts or penalties, etc.

Project contracts have a predetermined price per contract which is agreed to between the Group and the customer.

The transaction price for software sales is the amount per invoice.

Usage-based licence contracts are calculated with reference to the number of beneficiaries per the medical scheme or based on a sliding scale of the customers' turnover.

For all contracts there is no judgement involved in allocating the transaction price to the performance obligations.

1.17 Cost of sales

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

Contract costs comprise:

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

1.18 Borrowing costs

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

1.19 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

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

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

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

Investments in subsidiaries, joint ventures and associates

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and

- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

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

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

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

1.20 Interest and dividend income

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

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

1.21 Segmental reporting

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

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

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

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

- South Africa;
- Australia; and
- Europe.

Revenue comprises sales to customers and services rendered to clients.

1.22 Earnings per share

Earnings per share is calculated on the weighted average number of shares in issue, net of treasury shares, in respect of the year and is based on profit attributable to ordinary shareholders. Headline earnings per share is calculated in terms of the requirements set out in Circular 01/2019 issued by SAICA.

1.23 Discontinued operations

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

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

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

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

1.24 Goodwill

Goodwill is initially measured at cost, being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income.

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

2. Changes in accounting policy

The consolidated and separate 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. New standards and interpretations

3.1 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2020 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRS 7 Financial Instruments: Disclosures – Interest rate benchmark reform	1 January 2020	Unlikely there will be a material impact
Definition of a business – Amendments to IFRS 3	1 January 2020	Unlikely there will be a material impact
IAS 1 Presentation of Financial Statements: Definition of material	1 January 2020	Unlikely there will be a material impact
IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2022	Unlikely there will be a material impact
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of material	1 January 2020	Unlikely there will be a material impact
IFRS 9 Financial Instruments – Interest rate reform	1 January 2020	Unlikely there will be a material impact

4. Plant and equipment

Rand	2020 Cost	2020 Accumulated depreciation	2020 Carrying value	2019 Cost	2019 Accumulated depreciation	2019 Carrying value
GROUP						
Computer equipment	8 133 979	(6 840 725)	1 293 254	16 687 826	(14 941 503)	1 746 323
Furniture and fixtures	4 653 609	(2 763 366)	1 890 243	4 978 878	(2 505 678)	2 473 200
Office equipment	203 982	(163 467)	40 515	231 301	(203 682)	27 619
Total	12 991 570	(9 767 558)	3 224 012	21 898 005	(17 650 863)	4 247 142

Reconciliation of plant and equipment

Rand	Opening balance	Additions	Disposals	Transfers	Foreign exchange movements	Depreciation	Total
GROUP							
2020							
Computer equipment	1 746 323	738 875	(9 779)	–	(1 395)	(1 180 770)	1 293 254
Furniture and fixtures	2 473 200	124 014	(165 622)	–	–	(541 349)	1 890 243
Office equipment	27 619	32 015	(5)	–	–	(19 114)	40 515
	4 247 142	894 904	(175 406)	–	(1 395)	(1 741 233)	3 224 012
2019							
Computer equipment	2 763 902	966 560	(46 095)	–	–	(1 938 044)	1 746 323
Furniture and fixtures	3 254 884	111 272	(383 177)	(17 491)	–	(492 288)	2 473 200
Office equipment	11 747	66 446	(39)	17 491	–	(68 026)	27 619
	6 030 533	1 144 278	(429 311)	–	–	(2 498 358)	4 247 142

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

5. 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

There are no lease contracts in the Company and therefore only disclosure on Group level is presented.

	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

5. Leases (continued)

Rand	GROUP 2020	GROUP 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 37 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.

6. Goodwill

Rand	2020 Cost	2020 Accumulated impairment	2020 Carrying value	2019 Cost	2019 Accumulated impairment	2019 Carrying value
GROUP						
Goodwill	285 572 420	(149 906 000)	135 666 420	285 572 420	(149 906 000)	135 666 420

Reconciliation of goodwill

Rand	2020 Opening balance	2020 Impairment loss	2020 Total	2019 Opening balance	2019 Impairment loss	2019 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 36 Going concern and note 37 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%).

7. Intangible assets

Rand	2020 Cost	2020 Accumulated amortisation	2020 Carrying value	2019 Cost	2019 Accumulated amortisation	2019 Carrying value
GROUP						
Computer software	2 633 833	(2 625 537)	8 296	3 459 547	(3 430 312)	29 235
Internally developed software	31 360 398	(31 154 224)	206 174	31 020 907	(30 805 516)	215 391
Total	33 994 231	(33 779 761)	214 470	34 480 454	(34 235 828)	244 626

Reconciliation of intangible assets

Rand	Opening balance	Additions	Disposals	Amortisation	Total
GROUP					
2020					
Computer software	29 235	–	(378)	(20 561)	8 296
Internally developed software	215 391	339 491	–	(348 708)	206 174
	244 626	339 491	(378)	(369 269)	214 470
2019					
Computer software	205 078	12 866	–	(188 709)	29 235
Internally developed software	470 004	291 389	–	(546 002)	215 391
	675 082	304 255	–	(734 711)	244 626

Other information
Computer software has a two-year useful life and has an average remaining life of one year left.

Internally developed software is software that was developed by PBT Group in order to use in projects and is registered in terms of The Trade Marks Act, Act 194 of 1993. Expenditure on internally developed software is capitalised each year and each capitalisation has a life span of five years. The average remaining useful life of each year's capitalisation will differ depending on what year it was capitalised.

Amortisation on intangible assets is included in the line item "other operating expenses" on the statement of profit or loss and other comprehensive income.

8. 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

	% holding		Carrying amount	
Rand	2020	2019	2020	2019
COMPANY				
Halliard International (BVI) Limited (previously Stadia International (BVI) Limited)	–	100	–	26 636 292
PBT Group (Australia) Proprietary Limited	100	100	6 793 144	6 793 144
PBT Group (South Africa) Proprietary Limited	100	100	88 760 904	88 760 904
PBT Group International Besloten Vennootschap	100	100	46 567 779	17 430
			142 121 827	122 207 770
Cumulative impairment of investment in PBT Group (South Africa) Proprietary Limited	–	–	(18 990 044)	(18 990 044)
			123 131 783	103 217 726

Taking into consideration the COVID-19 pandemic, management assessed the value of the investment in subsidiaries and no impairment was applicable on any of the subsidiaries.

Please refer to note 36 Going concern and note 37 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

8. 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.

8. 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 activitities	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

9. Loans to Group companies

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
SUBSIDIARIES				
PBT Group (South Africa) Proprietary Limited	–	–	91 432 389	116 139 750
The above loan is unsecured, bears no interest and has no fixed terms of repayment. No capital repayments are required in the next 12 months. An agreement was reached to subordinate its claim against the Company in favour of and for the benefit of other creditors.				
Halliard International (BVI) Limited (previously Stadia International (BVI) Limited)	–	–	–	2 526 055
The above loan is unsecured, bears no interest and has no fixed terms of repayment. However, during the year management made a decision to capitalise the loan to the investment in PBT Group International Besloten Vennootschap.				
	–	–	91 432 389	118 665 805
Split between non-current and current portions				
Non-current assets	–	–	91 432 389	118 665 805
Exposure to credit risk				
Reconciliation of loss allowances				
Opening balance	–	–	1 411 235	1 403 520
(Decrease)/increase in provisions for expected credit loss allowance	–	–	(487 676)	7 715
Closing balance	–	–	923 559	1 411 235

The loans as stated above are all in stage 1 as we do not believe that there is a significant increase in credit risk. The possible effect of COVID-19 had been taken into account and adjustments have been made to the expected credit loss allowance value. Even though the loan with PBT Group Limited is subordinated, the Company has determined that there has not been a significant increase in credit risk.

10. Loans receivable

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

	GROUP		COMPANY	
Rand	2020	2019	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 36 Going concern and note 37 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.

11. Investments at fair value

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

	GROUP		COMPANY	
Rand	2020	2019	2020	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 35 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.

12. Deferred tax

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
The below table presents the net deferred tax balances after offsetting, as required by IAS 12:74.				
Deferred tax asset	2 518 870	2 891 191	267 972	395 146
Deferred tax liability	(149 851)	(1 615 464)	–	–
Net deferred tax asset	2 369 019	1 275 727	267 972	395 146
The below table presents the deferred tax assets and liabilities recognised for temporary differences per underlying item.				
Accrued expenses	4 332 628	–	–	–
Allowance for expected credit losses	345 691	641 186	267 972	395 146
Contract asset	(3 004 178)	(1 613 328)	–	–
Contract liability	60 072	183 875	–	–
Lease liabilities	4 114 754	–	–	–
Operating lease smoothing liability	–	40 459	–	–
Payroll-related accruals	–	1 685 959	–	–
Prepaid expenses	(6 827)	(2 136)	–	–
Right-of-use assets	(3 730 512)	–	–	–
Tax losses available for set-off against future taxable income	257 391	339 712	–	–
Total deferred tax	2 369 019	1 275 727	267 972	395 146
Reconciliation of net deferred tax asset				
Opening balance	1 275 727	1 955 136	395 146	–
Effect of IFRS 16 adoption	47 024	–	–	–
Opening balance after IFRS 16 adoption	1 322 751	1 955 136	395 146	–
Accrued expenses	2 646 670	–	–	–
Allowances for expected credit losses	(295 495)	641 186	(127 174)	395 146
Assessed loss utilised	(82 323)	(142 855)	–	–
Contract asset	(1 390 850)	(1 441 238)	–	–
Contract liability	(123 803)	–	–	–
Lease liability	(888 886)	–	–	–
Operating lease smoothing liability	–	40 459	–	–
Payroll-related accruals	–	213 281	–	–
Prepaid expenses	(4 691)	9 758	–	–
Right-of-use assets	1 185 646	–	–	–
	2 369 019	1 275 727	267 972	395 146

PBT Technology Services (MEA) Proprietary Limited has an estimated tax loss carried forward of R57.6 million (2019: R54.7 million). A deferred tax asset of R16.1 million (2019: R15.3 million) has not been recognised.

13. Trade and other receivables

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Financial instruments				
Trade receivables	88 420 346	103 401 062	–	125 758
Loss allowance	(988 215)	(437 924)	–	–
Trade receivables at amortised cost	87 432 131	102 963 138	–	125 758
Non-financial instruments				
Contract asset	13 543 808	5 761 883	–	–
Deposits	1 075 655	2 764 612	–	–
Prepayments	251 050	359 569	–	–
VAT	605 617	226 235	–	–
Total trade and other receivables	102 908 261	112 075 437	–	125 758
Financial instrument and non-financial instrument components of trade and other receivables				
At amortised cost	87 432 131	102 963 138	–	125 758
Non-financial instruments	15 476 130	9 112 299	–	–
	102 908 261	112 075 437	–	125 758

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if clients fail to make payments as they fall due. Refer to note 34 Financial instruments and risk management.

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Reconciliation of loss allowances				
Opening balance	437 924	5 282 268	–	2 798 435
Provisions reversed on settled trade receivables	–	(4 844 344)	–	–
Provisions raised on new trade receivables	550 291	–	–	–
Provision reversed on write-off of trade receivables	–	–	–	(2 798 435)
Closing balance	988 215	437 924	–	–

13. Trade and other receivables (continued)

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 trade and other receivables as “hold to collect”.

In applying IFRS 9 Financial Instruments to trade and other receivables, the Company made use of the simplified approach in calculating expected credit losses (ECLs). In calculating the ECLs, PBT Group makes use of a provision matrix, a practical expedient in IFRS 9. The loss rate that is applied has been adjusted to include the possible effect that COVID-19 might have on the recoverability of outstanding trade and other receivables as at year-end. The historical loss rate has been increased in order to take into account the expectation that COVID-19 might have a negative impact on the trade and other receivables balance.

Management considers historical information, individual trade receivable information and forward-looking information additional to the provision matrix outcome to assess if the ECL allowance applied is sufficient and representative. The impact of COVID-19 on the contract asset and contract liability was assessed and the Board is satisfied that COVID-19 will not result in delays in the Group performing its required services in terms of its contract with customers.

Please refer to note 36 Going concern and note 37 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business and the considerations that were taken into account to come to the above conclusions.

Fair value of trade and other receivables
The fair value of trade and other receivables approximates their carrying amounts.

	GROUP		COMPANY	
Rand	**2020**	2019	**2020**	2019
Reconciliation of contract asset				
Opening balance	**5 761 883**	–	**–**	–
Reversal of revenue invoiced during the year	**(5 761 883)**	–	**–**	–
Revenue recognised but not yet invoiced	**13 543 808**	5 761 883	**–**	–
Closing balance	**13 543 808**	5 761 883	**–**	–

14. Cash and cash equivalents

	GROUP		COMPANY	
Rand	2020	2019	2020	2019
Cash and cash equivalents consist of:				
Cash on hand	17 240	25 426	–	–
Bank balances	49 793 396	28 300 137	50 244	610 702
Other cash and cash equivalents	16 467 186	2 754 246	16 674	15 433
Bank overdraft	(93 087)	(99 880)	–	–
	66 184 735	30 979 929	66 918	626 135
Current assets	66 277 822	31 079 809	66 918	626 135
Current liabilities	(93 087)	(99 880)	–	–
	66 184 735	30 979 929	66 918	626 135
Credit quality of cash at bank and short-term deposits, excluding cash on hand The credit quality of cash at bank and short-term deposits, excluding cash on hand, can be assessed by reference to external credit ratings:				
Credit rating				
Prime-1	33 966 879	15 472 980	–	–
Prime-3	–	15 481 523	–	626 135
Not prime	32 200 616	–	66 918	–
	66 167 495	30 954 503	66 918	626 135

Facilities available to the Group
As at 31 March 2020 CyberPro Consulting Proprietary Limited has an overdraft facility of R14 million (2019: R6.1 million). This overdraft facility is secured by unrestricted cession of the debtors' book of CyberPro Consulting Proprietary Limited.

As at 31 March 2020 the following Group companies have unsecured overdraft facilities:

- PBT Technology Services Proprietary Limited – R0.5 million (2019: R0.5 million).
- Technique Business Intelligence Software Proprietary Limited – R0.8 million (2019: R0.8 million).

15. Discontinued operations

During the 2019 financial year PBT Group successfully disposed of Prescient Capital and its subsidiaries (Prescient Capital) and shares held in Prescient Holdings Proprietary Limited (Prescient Holdings). The necessary announcement was published on SENS on 28 September 2018 for the finalisation of the transaction. The settlement of the total purchase price of R65.8 million for Prescient Capital and Prescient Holdings was settled by way of a deposit of R4.8 million and the balance was accounted for as a specific share repurchase against equity.

Also included in the Circular and Supplementary Circular released on 23 March 2018 and 28 August 2018, respectively, was a share consolidation on the basis of one ordinary share for every 10 authorised and issued ordinary shares and the cancellation of the specific repurchase received as part of the consideration. Please refer to note 16 Share capital for the effects of the specific repurchase and share consolidation on the share capital of the Group.

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

	GROUP		COMPANY	
Rand	2020	2019	2020	2019
Results of discontinued operations				
Revenue	–	4 816 394	–	–
Other income	–	1 124 409	–	–
Foreign currency reserve released	–	20 723 419	–	–
Impairment loss	–	(12 842 435)	–	–
Expenses	–	(4 770 558)	–	–
Results from operating activities	–	9 051 229	–	–
Taxation	–	62 626	–	–
Results from operating activities, net of tax	–	9 113 855	–	–
Gain on sale of discontinued operations	–	–	–	23 585 663
Profit for the year	–	9 113 855	–	23 585 663
Earnings per share (cents)				
Basic earnings per share	–	7.34		
Diluted earnings per share	–	7.34		

Profit from discontinued operations in the 2019 financial year of R9.1 million was attributable to the owners of the Company.

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

15. Discontinued operations (continued)

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Carrying value of assets	–	60 340 731	–	50 548 926
Fair value of consideration received:				
Cash	–	4 789 488	–	4 789 488
Fair value of underlying shares received (2019: 305 062 917 at 14 cents per share)	–	42 708 808	–	42 708 808
	–	47 498 296	–	47 498 296
Impairment loss	–	12 842 435	–	3 050 629
Cash flows from/(used in) discontinued operations				
Net cash from operating activities	–	1 089 358		
Net cash used in investing activities	–	(937 176)		
Net cash from financing activities	–	(351 378)		
Net cash flow for the year	–	(199 196)		
Net assets disposed of during the year				
Assets disposed of during the year				
Property and equipment	–	730 379	–	–
Investment property	–	29 754 662	–	–
Financial assets at fair value through profit or loss	–	19 478 737	–	47 498 296
Trade and other receivables	–	1 045 293	–	–
Long-term loans receivable	–	127 546	–	–
Cash and cash equivalents	–	1 259 872	–	–
	–	52 396 489	–	47 498 296
Liabilities sold during the year				
Deferred tax liability	–	(219 467)	–	–
Long-term loans payable	–	(3 555 621)	–	–
Trade and other payables	–	(1 123 106)	–	–
	–	(4 898 194)	–	–
Net assets and liabilities disposed of during the year	–	47 498 295	–	47 498 296
Consideration received in cash	–	–	–	–
Cash and cash equivalents	–	–	–	–
Net cash inflow	–	–	–	–

16. 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	COMPANY 2020	COMPANY 2019
Issued				
Ordinary shares of no par value	503 830 445	3 490 921	2 405 301 798	2 020 992 014
Issued share capital reconciliation:				
As previously published	3 490 921	3 490 921	2 020 992 014	2 020 992 014
Reallocation to treasury shares (refer to note 17)	18 255 565	–	16 500 000	–
Reallocation of prior capital distributions (refer to note 18)	496 159 925	–	381 885 751	–
Repurchase of shares	(2 499 907)	–	(2 499 907)	–
Shares repurchased – tender offer	(11 576 060)	–	(11 576 060)	–
Issued as at 31 March	503 830 445	3 490 921	2 405 301 798	2 020 992 014

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	GROUP 2019	COMPANY 2020	COMPANY 2019
17. Treasury shares				
Opening balance	–	–	–	–
Reallocation of treasury shares	18 255 565	–	16 500 000	–
Treasury shares purchased	1 855 151	–	–	–
Closing balance	20 110 716	–	16 500 000	–
Treasury shares movement during the period				
Opening balance as at 1 April	11 673 700	13 004 180	10 373 282	–
Share consolidation	–	(11 703 762)	–	–
Shares held by BEE and staff company (Spalding Investments 10 Proprietary Limited) treated as treasury shares	–	10 373 282	–	10 373 282
Treasury shares purchased by a subsidiary in the Group	899 582	–	–	–
	12 573 282	11 673 700	10 373 282	10 373 282
18. Capital distribution reserve				
Opening balance	–	–	–	–
Capital distribution during the financial year	11 731 762	–	11 968 341	–
Reallocation of prior capital distributions from share capital – 2018	26 206 633	–	22 918 944	–
Reallocation of prior capital distributions from share capital – 2017	469 953 292	–	358 966 807	–
Closing balance	507 891 687	–	393 854 092	–

Please refer to note 16 Share capital for the explanantion and the reconciliation between share capital and the capital distribution reserve.

19. Share-based payments

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

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

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

19. Share-based payments (continued)

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

	Number of shares	Vesting date	Strike price	Fair value at grant date
Tranche 1	3 457 761	Feb 2024	Variable	202 cents
Tranche 2	3 457 761	Feb 2025	Variable	193 cents
Tranche 3	3 457 760	Feb 2026	Variable	142 cents
Total	10 373 282			176.6 cents*

* *Weighted average.*

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

No options have vested or were exercised yet as the transaction was only implemented on 14 February 2019 and the first tranche vests in five years' time. The weighted average fair value of each option granted during the 2019 year was 176.6 cents.

The fair value was calculated using the following inputs:

		2019
Equity settled		
Option pricing model used		Black-Scholes
Share price at date of grant	(cents)	135
Contractual life	(days)	1 825 – 2 555
Volatility relative to comparator index		33%
Risk-free interest rate:		
5-year maturity		8.60%
6-year maturity		8.94%
7-year maturity		9.24%
Dividend growth rate relative to comparator index		6.00%

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

The share-based remuneration expense comprises:

Rand	2020	2019
Equity settled	263 576	32 147

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

20. Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

	GROUP		COMPANY	
Rand	2020	2019	2020	2019
Opening balance	4 979 890	12 909 171	–	–
Foreign exchange on translation of foreign subsidiaries	7 787 141	12 794 138	–	–
Release foreign currency translation reserve after disposal of foreign subsidiaries	–	(20 723 419)	–	–
Closing balance	12 767 031	4 979 890	–	–

21. Trade and other payables

	GROUP		COMPANY	
Rand	2020	2019	2020	2019
Financial instruments				
Trade payables	12 593 413	16 040 452	57 710	93 540
Accrual for bonus	3 391 035	1 472 958	–	–
Accrual for commission	–	766 251	–	–
Accrual for leave pay	4 269 250	3 833 821	–	–
Accrual for overtime	3 689 368	2 323 197	–	–
Accrued expenses	11 848 081	5 656 533	–	–
Interest payable	2 866	–	–	–
Provision for SARS penalty	2 676 704	–	–	–
Non-financial instruments				
Contract liability	1 025 059	801 624	–	–
Dividend withholding tax payable	840 000	–	–	–
Operating lease payables	–	144 495	–	–
PAYE payable	13 474 564	9 243 343	–	–
VAT	8 485 251	5 813 408	–	–
	62 295 591	46 096 082	57 710	93 540

Please refer to note 36 Going concern and note 37 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

Fair value of trade and other payables
The fair value of trade and other payables approximates their carrying amounts.

	GROUP		COMPANY	
Rand	2020	2019	2020	2019
Reconciliation of contract liability				
Opening balance	801 624	656 696	–	–
Reversal of amounts invoiced during the year	(656 696)	–	–	–
Amounts received but not yet invoiced	880 131	144 928	–	–
Closing balance	1 025 059	801 624	–	–

22. Revenue

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 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	GROUP 2019	COMPANY 2020	COMPANY 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	–	–

22. 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 36 Going concern and note 37 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

	GROUP		COMPANY	
Rand	2020	2019	2020	2019
23. Cost of sales				
Sale of goods	4 754 978	3 238 594	–	–
Rendering of services	500 448 230	437 626 773	–	–
	505 203 208	440 865 367	–	–
24. Other operating income				
Bad debts recovered	444 380	875 924	444 380	–
Recovery income	51 332	130 064	1 263 614	1 882 129
Sundry income	638 629	266 881	–	–
	1 134 341	1 272 869	1 707 994	1 882 129
25. Other operating gains/(losses)				
Gains/(losses) on disposals, scrappings and settlements				
Plant and equipment (refer to note 4)	(173 635)	(351 834)	–	–
Profit on disposal of non-current assets	–	3 681	–	–
	(173 635)	(348 153)	–	–
Reversal of impairment losses				
Loans to Group companies	–	–	18 713 755	–
Foreign exchange (losses)/gains				
Net foreign exchange (losses)/gains	(289 398)	1 152 300	795 623	1 165
Fair value gains/(losses)				
Financial assets at fair value through profit or loss	333 228	(149 598)	–	–
Total other operating gains	(129 805)	654 549	19 509 378	1 165

26. Operating profit/(loss)

Operating profit/(loss) for the year is stated after charging/(crediting) the following, amongst others:

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Remuneration, other than to employees				
Administrative and managerial services	243 995	843 289	111 673	155 455
Consulting and professional services	8 029 041	9 776 701	347 650	916 513
Secretarial services	61 948	277 731	1 480	12 148
	8 334 984	10 897 721	460 803	1 084 116
Employee costs				
Salaries, wages, bonuses and other benefits – administration	59 555 868	54 133 728	1 036 020	1 042 073
Salaries, wages, bonuses and other benefits – cost of sales	249 962 845	247 233 972	–	–
Share-based compensation expense	263 576	32 147	263 576	32 147
Total employee costs	309 782 289	301 399 847	1 299 596	1 074 220
Depreciation and amortisation				
Depreciation of plant and equipment	1 741 233	2 498 358	–	–
Depreciation of right-of-use assets	5 592 270	–	–	–
Amortisation of intangible assets	369 269	734 712	–	–
Total depreciation and amortisation	7 702 772	3 233 070	–	–
Impairment losses				
Other financial assets	–	38 367	–	–
Movement in credit loss allowances				
Loans receivables at amortised cost	465 628	91 619	–	–
Loans to Group companies	–	–	(454 191)	7 715
Trade and other receivables	550 293	(4 844 345)	–	(2 798 435)
	1 015 921	(4 752 726)	(454 191)	(2 790 720)

27. Investment income

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Dividend income				
Listed investments – local	–	–	80 530	–
Total dividend income	–	–	80 530	–
Interest income				
Investments in financial assets				
Bank and other cash	2 360 028	3 126 640	26 853	36 587
Loans receivable	500 843	285 062	–	–
Trade and other receivables	7 571	23 791	–	–
Other	–	376 761	–	–
Total interest income	2 868 442	3 812 254	26 853	36 587
Total investment income	2 868 442	3 812 254	107 383	36 587

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
28. Finance costs				
Bank overdraft	39 624	692 442	–	293
Lease liabilities	1 941 618	–	–	–
Other financial liabilities	176	339 476	–	–
Tax authorities	1 285	176 384	–	6 969
Trade and other payables	324	445	–	–
Other interest paid	2 392	–	–	–
Total finance costs	1 985 419	1 208 747	–	7 262

29. Taxation

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Major components of the tax expense				
Current				
Local income tax – current period	20 882 114	12 400 098	426 562	1 082 272
Local income tax – recognised in current tax for prior periods	1 923	(190 712)	–	(336 901)
Securities transfer tax	17 112	113 465	6 266	113 465
Foreign income tax or withholding tax – current period	147 219	2 051 500	–	–
Foreign income tax or withholding tax – recognised in current tax for prior periods	–	1 368 810	–	–
	21 048 368	15 743 161	432 828	858 836
Deferred				
Originating and reversing temporary differences on:				
Accrued expense	(2 646 668)	–	–	–
Allowance for expected credit losses	295 495	34 229	127 174	–
Assessed loss raised	82 321	142 855	–	585 511
Contract asset	1 390 850	1 441 238	–	–
Contract liability	123 803	–	–	–
Lease liability	888 886	–	–	–
Operating lease liability	–	(40 459)	–	–
Payroll-related accruals	–	(213 281)	–	–
Prepaid expenses	4 691	(9 758)	–	–
Right-of-use asset	(1 185 646)	–	–	–
	(1 046 268)	1 354 824	127 174	585 511
	20 002 100	17 097 985	560 002	1 444 347

29. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Percent	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Applicable tax rate	28.00	28.00	28.00	28.00
Accounting loss on sale of fixed assets	–	0.17	–	–
Assessed loss utilised/(raised)	(1.19)	(1.81)	–	–
Deferred tax asset not raised	6.11	1.35	–	(116.22)
Deferred tax asset not raised prior year	(1.76)	–	–	–
Exempt dividends received	–	–	(0.12)	–
Expenses of capital nature: bad debts	–	1.29	–	(77.80)
Expenses of capital nature: legal fees	0.14	0.51	0.46	(22.78)
Expenses of capital nature: listing fees	0.08	0.12	–	–
Expenses of capital nature: other	–	0.04	–	–
Fair value adjustments	(0.15)	–	–	–
Foreign tax rate differences	(0.34)	(0.51)	–	–
IFRS 16 adjustments	(0.03)	–	–	–
Impairments of loans receivable	–	0.02	–	(7.07)
Learnership allowances	(1.16)	(0.71)	–	–
Non-deductible expenses: interest and penalties	0.24	0.14	0.25	(0.72)
Non-deductible expenses: other	1.49	0.51	1.40	–
Non-deductible expenses: share-based payment	0.11	0.02	0.38	(1.07)
Non-taxable income	(1.22)	(0.15)	(0.64)	–
Non-taxable income: ETI claims	(0.07)	–	–	–
Non-taxable income: reversal of impairment	–	–	(26.89)	–
Prior-year tax adjustment	–	(0.38)	–	39.93
Securities transfer tax	0.03	0.22	0.03	(13.45)
Start-up relief	(0.14)	–	–	–
Withholdings tax – section 6quat(1C)	0.16	4.85	–	–
	30.30	33.68	2.87	(171.18)

PBT Technology Services (MEA) Proprietary Limited has an estimated tax loss carried forward of R57.6 million (2019: R54.7 million).

30. Cash generated from operations

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Profit/(loss) before taxation	**66 006 141**	50 745 698	**19 483 564**	(843 769)
Adjustments for				
Depreciation and amortisation	**7 702 772**	3 233 070	**–**	–
Losses on disposals, scrappings and settlements of assets and liabilities	**173 635**	348 153	**–**	–
Losses/(gains) on foreign exchange	**289 398**	(1 152 300)	**(795 623)**	(1 165)
Dividends received	**–**	–	**(80 530)**	–
Interest income	**(2 868 442)**	(3 812 254)	**(26 853)**	(36 587)
Finance costs	**1 985 419**	1 208 747	**–**	7 262
Fair value (gains)/losses	**(333 228)**	149 598	**–**	–
Net impairments and movements in credit loss allowances	**1 015 921**	(4 714 359)	**(19 167 946)**	(2 577 649)
Change in accounting policy – IFRS 9	**–**	(5 368 413)	**–**	(4 201 954)
Discontinued operations	**–**	(3 570 250)	**–**	4 772 009
Income and expenses through loans with Group companies	**–**	–	**844 136**	22 089 724
Net modification to lease terms	**(52 787)**	–	**–**	–
Translation of foreign currency items	**3 916 139**	10 774 822	**–**	–
Share-based payment expense	**263 576**	32 147	**263 576**	32 147
Share capital	**–**	–	**–**	(19 843 931)
Changes in working capital				
Trade and other receivables	**7 703 018**	(14 789 275)	**125 758**	5 471 112
Trade and other payables	**16 322 947**	3 440 791	**(35 832)**	(4 763 448)
	102 124 509	36 526 175	**610 250**	103 751

31. Other comprehensive income

Components of other comprehensive income

Rand	Gross	Tax	Net
GROUP			
2020			
Items that will not be reclassified to profit/(loss)			
Movements on valuation of equity investments			
Gains on valuation	13 107 822	–	13 107 822
Items that may be reclassified to profit/(loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	7 787 141	–	7 787 141
Total	20 894 963	–	20 894 963
2019			
Items that will not be reclassified to profit/(loss)			
Movements on valuation of equity investments			
Gains on valuation	470 363	–	470 363
Items that may be reclassified to profit/(loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	12 794 138	–	12 794 138
Reclassifying adjustment for exchange differences included in profit/(loss)	(20 723 419)	–	(20 723 419)
	(7 929 281)	–	(7 929 281)
Total	(7 458 918)	–	(7 458 918)

32. 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

Members of key management

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

Company owned solely by employees

Spalding Investments 10 Proprietary Limited

32. Related parties (continued)

Rand	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Related party balances				
Loan accounts – owing by related parties				
PBT Group (South Africa) Proprietary Limited	–	–	91 432 389	116 139 750
Halliard International (BVI) Limited	–	–	–	2 526 055
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				
Administration fees received from related parties				
BI-Blue Consulting Proprietary Limited	–	–	–	38 733
PBT Insurance Technologies Proprietary Limited	–	–	101 770	143 690
PBT Technology Services (MEA) Proprietary Limited	–	–	–	213 071
PBT Technology Services Proprietary Limited	–	–	1 107 888	1 384 993
Technique Business Intelligence Software Proprietary Limited	–	–	53 956	101 642
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	1 036 020	1 042 073

33. Directors' emoluments

Rand	Basic salary	Value of contributions paid	Bonus	Fringe benefits	Total
Executive					
2020					
Pierre de Wet	2 906 490	237 265	1 734 000	93 510	4 971 265
Murray Louw	720 000	8 985	–	–	728 985
	3 626 490	246 250	1 734 000	93 510	5 700 250
2019					
Pierre de Wet	2 750 820	235 788	937 800	90 411	4 014 819
Murray Louw	735 000	9 135	–	–	744 135
	3 485 820	244 923	937 800	90 411	4 758 954

Mrs Elizna Read and Mrs Bianca Pieters were appointed as Directors of the Board on 31 March 2020 and as such did not receive any remuneration during the 2020 financial year in their capacity as Executive Directors.

Rand	Directors' fees
Non-Executive	
2020	
Tony Taylor	327 520
Cheree Dyers	250 000
Herman Steyn	214 500
Arthur Winkler	244 000
	1 036 020
2019	
Tony Taylor	323 323
Cheree Dyers	248 750
Herman Steyn	226 750
Arthur Winkler	243 250
	1 042 073

34. Financial instruments and risk management

Categories of financial instruments

Rand	Notes	Fair value through other comprehensive income – equity instruments	Fair value through profit or loss	Amortised cost	Total
Categories of financial assets					
GROUP					
2020					
Loans receivable	10	–	–	8 649 728	8 649 728
Investments at fair value	11	44 655 927	118 726	–	44 774 653
Trade and other receivables	13	–	–	87 432 131	87 432 131
Cash and cash equivalents	14	–	–	66 277 822	66 277 822
		44 655 927	118 726	162 359 681	207 134 334
2019					
Loans receivable	10	–	–	7 753 881	7 753 881
Investments at fair value	11	26 744 186	124 729	–	26 868 915
Trade and other receivables	13	–	–	102 963 138	102 963 138
Cash and cash equivalents	14	–	–	31 079 809	31 079 809
		26 744 186	124 729	141 796 828	168 665 743

Rand	Notes	Amortised cost
COMPANY		
2020		
Loans to Group companies	9	91 432 389
Cash and cash equivalents	14	66 918
		91 499 307
2019		
Loans to Group companies	9	118 665 805
Trade and other receivables	13	125 758
Cash and cash equivalents	14	626 135
		119 417 698

34. Financial instruments and risk management (continued)

Rand	Notes	Amortised cost
Categories of financial liabilities		
GROUP		
2020		
Trade and other payables	21	**38 470 724**
Lease liabilities	5	**19 547 589**
Bank overdraft	14	**93 087**
		58 111 400
2019		
Trade and other payables	21	30 093 212
Bank overdraft	14	99 880
		30 193 092
COMPANY		
2020		
Trade and other payables	21	**57 710**
2019		
Trade and other payables	21	93 540

Capital risk management

Capital management is striving to maintain sufficient and equal levels of working capital, current assets and current liabilities. This strategy is to ensure the Company meets its expense obligations while also maintaining sufficient cash flow and to provide returns to shareholders.

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. There have been no changes from the prior year in the manner in which the Group manages its capital.

Currently the Group has no significant borrowings from third parties and as such no externally imposed capital requirements exist.

34. Financial instruments and risk management (continued)

Financial risk management

Credit risk

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

Significant increase in credit risk

In assessing whether the credit risk on a loan or trade receivable has increased significantly since initial recognition, the Group compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience, cash flow and liquid asset position and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan or trade receivable is always presumed to have increased significantly since initial recognition if the contractual payments are past their contractual pay dates, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan or trade receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of a default

For purposes of internal credit risk management, the Group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is based on a number of factors including various liquidity and solvency ratios.

Write-off policy

The Group writes off a loan or trade receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Loans or trade receivables written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings.

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

As an additional measure implemented, PBT Group is in constant communication with its clients in order to obtain as much information as possible on what the situation is in terms of repayment and possible amendments to contracts. PBT Group has assisted clients where the need has arisen although these cases were limited. In applying IFRS 9 Financial Instruments to trade and other receivables, the Company made use of the simplified approach in calculating expected credit losses (ECLs). In calculating the ECLs, PBT Group makes use of a provision matrix, a practical expedient in IFRS 9. The loss rate that is applied has been adjusted to include the possible effect that COVID-19 might have on the recoverability of outstanding trade and other receivables as at year-end.

Please refer to note 36 Going concern and note 37 Events after the reporting period for more information on the possible impact of COVID-19 on the operations of the business.

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

34. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

Rand	Notes	Gross carrying amount	Credit loss allowance	Amortised cost
GROUP				
2020				
Loans receivable	10	**9 291 404**	**(641 676)**	**8 649 728**
Trade and other receivables	13	**88 420 346**	**(988 215)**	**87 432 131**
Cash and cash equivalents	14	**66 277 822**	**–**	**66 277 822**
		163 989 572	**(1 629 891)**	**162 359 681**
2019				
Loans receivable	10	7 931 645	(177 764)	7 753 881
Trade and other receivables	13	103 401 062	(437 924)	102 963 138
Cash and cash equivalents	14	31 079 809	–	31 079 809
		142 412 516	(615 688)	141 796 828
COMPANY				
2020				
Loans to Group companies	9	**92 355 948**	**(923 559)**	**91 432 389**
Cash and cash equivalents	14	**66 918**	**–**	**66 918**
		92 422 866	**(923 559)**	**91 499 307**
2019				
Loans to Group companies	9	120 077 040	(1 411 235)	118 665 805
Trade and other receivables	13	125 758	–	125 758
Cash and cash equivalents	14	626 135	–	626 135
		120 828 933	(1 411 235)	119 417 698

34. Financial instruments and risk management (continued)

Liquidity risk

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

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

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

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

The maturity profile of contractual cash flows of financial liabilities are presented in the following table. The cash flows presented below are undiscounted contractual amounts and therefore include both capital and interest payments.

Rand	Notes	0 – 3 months	3 – 12 months	1 – 2 years	More than 2 years	Total
GROUP						
2020						
Non-current liabilities						
Lease liabilities	5	–	–	6 307 986	9 823 621	16 131 607
Current liabilities						
Trade and other payables	21	30 023 764	8 446 960	–	–	38 470 724
Lease liabilities	5	1 829 056	5 065 146	–	–	6 894 202
		31 852 820	13 512 106	6 307 986	9 823 621	61 496 533
2019						
Current liabilities						
Trade and other payables	21	25 491 066	4 602 146	–	–	30 093 212
COMPANY						
2020						
Current liabilities						
Trade and other payables	21	57 708	–	–	–	57 708
2019						
Current liabilities						
Trade and other payables	21	93 540	–	–	–	93 540

Foreign currency risk

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

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

34. Financial instruments and risk management (continued)

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date.

Exposure in Rand	Notes	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Australian Dollar exposure					
Current assets					
Trade and other receivables	13	7 237 403	10 236 843	–	–
Cash and cash equivalents	14	21 106 453	15 250 255	–	–
Current liabilities					
Trade and other payables	21	(6 375 713)	(6 567 610)	–	–
Bank overdraft	14	(81 309)	(59 839)	–	–
Net Australian Dollar exposure		21 886 834	18 859 649	–	–
Euro exposure					
Current assets					
Trade and other receivables	13	2 976 727	2 307 488	–	–
Cash and cash equivalents	14	4 440 104	165 184	–	–
Current liabilities					
Trade and other payables	21	(3 290 596)	(1 649 278)	–	–
Net Euro exposure		4 126 235	823 394	–	–
Great British Pound exposure					
Current assets					
Trade and other receivables	13	7 042 340	2 752 259	–	–
Cash and cash equivalents	14	8 585 709	454 335	–	–
Net Great British Pound exposure		15 628 049	3 206 594	–	–
Nigerian Naira exposure					
Current assets					
Cash and cash equivalents	14	–	1 160 138	–	–
United States Dollar exposure					
Current assets					
Trade and other receivables	13	–	1 747 131	–	–
Cash and cash equivalents	14	30 465	–	–	–
Current liabilities					
Trade and other payables	21	(5 750 165)	(4 628 796)	–	–
Net United States Dollar exposure		(5 719 700)	(2 881 665)	–	–
Net exposure to foreign currency in Rand		35 921 418	21 168 110	–	–
Exchange rates					
Rand per unit of foreign currency					
Australian Dollar		10.953	10.352	–	–
Euro		19.696	16.265	–	–
Great British Pound		22.175	18.905	–	–
Nigerian Naira		–	0.040	–	–
United States Dollar		17.855	14.495	–	–

Interest rate risk

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

35. 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		COMPANY	
Exposure in Rand	Notes	2020	2019	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.

35. 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.*

36. 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.

37. 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.

37. 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.

38. Comparative figures

Certain prior-period comparative figures have been reclassified for consistency with the current-year presentation of the consolidated and separate 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
COMPANY				
Statement of financial position				
Share capital	(c)	2 018 815 262	2 176 752	2 020 992 014
Accumulated loss	(c)	(1 796 992 655)	(2 176 752)	(1 799 169 407)

(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.

(c) There was a reclassification between equity accounts to the value of R2.2 million on 1 April 2018. The total amount is insignificant to the Group and had no effect on the total equity amount.

39. 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.

Weighted average number of ordinary shares	2020	2019
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

39. 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.

40. 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

40. 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)

40. 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.

2020

ANNUAL GENERAL MEETING

PBT group
DATA SPECIALISTS

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

NOTICE OF ANNUAL GENERAL MEETING

For the year ended 31 March 2020

NOTICE IS HEREBY GIVEN that the next Annual General Meeting (AGM) of the shareholders of the Company will be held entirely by electronic communication, on 21 August 2020 at 10:00, to conduct the undermentioned business and for the undermentioned ordinary and special resolutions to be proposed:

PBT Group appointed The Meeting Specialist Proprietary Limited (TMS) to remotely host the AGM on an interactive electronic platform, in order to facilitate remote participation and voting by shareholders. TMS will also act as scrutineers.

The reason for conducting the AGM through electronic communication is due to the health and legal restrictions resulting from COVID-19.

Kindly note that, in terms of section 63(1) of the Companies Act, No. 71 of 2008, as amended (Companies Act), AGM participants (including proxies) will be required to provide identification to the reasonable satisfaction of the Chairman if they are not known to the Chairman before being entitled to participate in or vote at the AGM as more fully detailed in this Notice. Forms of identification that will be accepted include certified copies of valid identity documents, driver's licences and passports. If in doubt as to whether any document will be regarded as satisfactory proof of identification, AGM participants should contact the Transfer Secretaries for guidance.

Presentation of audited financial statements

The consolidated audited annual financial statements of the Company, including the reports of the Directors, the Audit and Risk Committee and the independent auditor, for the year ended 31 March 2020, will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act. The complete set of consolidated audited annual financial statements, together with the Directors' and independent auditor's reports are set out on pages 31 to 37 of the Company's Integrated Report for the year ended 31 March 2020 (Integrated Report) as well as the Audit and Risk Committee Report as set out on pages 28 and 29 and the Remuneration Policy and Implementation Report as set out on pages 20 and 21 thereof.

Ordinary resolutions

To consider and, if deemed fit, pass the undermentioned Ordinary Resolutions Numbers 1 to 8 with or without modification in the manner required by the Companies Act, as read with the JSE Listings Requirements (Listings Requirements).

In order to be adopted:

- Ordinary Resolutions Numbers 1, 2, 3, 4, 6, 7 and 8 require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting; and
- Ordinary Resolution Number 5 requires the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting.

1. Ordinary Resolution Number One

THE REAPPOINTMENT OF THE INDEPENDENT AUDITOR AND DESIGNATED AUDITOR

To reappoint, as recommended by the Company's Audit and Risk Committee, the firm BDO South Africa Inc. as independent auditors, and Imtiaaz Hashim as the individual designated auditor of the Company for the ensuing period terminating on the conclusion of the next AGM of the Company.

2. Ordinary Resolution Number Two

THE REAPPOINTMENT OF NON-EXECUTIVE DIRECTORS

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

2.1 Cheree Dyers; and

2.2 Tony Taylor.

Brief biographies of the aforementioned Non-Executive Directors are included on pages 12 and 13 of this document.

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

3. Ordinary Resolution Number Three

RATIFICATION OF APPOINTMENT OF DIRECTORS

To ratify the appointment of the following Executive Directors, who were appointed to the Board of Directors (Board) during the year, in terms of the Company's MOI:

3.1 Bianca Pieters – Chief Financial Officer; and

3.2 Elizna Read – Chief Executive Officer.

Mrs Pieters and Mrs Read were appointed to the Board on 31 March 2020.

Brief biographies of the aforementioned Directors are included on page 12 of this document.

The appointments numbered 3.1 and 3.2 constitute separate ordinary resolutions and will be considered by separate votes.

4. Ordinary Resolution Number Four

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

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

4.1 Arthur Winkler (Chairman);

4.2 Cheree Dyers, subject to the approval of Ordinary Resolution Number 2.1; and

4.3 Tony Taylor, subject to the approval of Ordinary Resolution Number 2.2.

Brief biographies of the aforementioned Non-Executive Directors are included on pages 12 and 13 of this document.

The appointments numbered 4.1 to 4.3 constitute separate ordinary resolutions and will be considered by separate votes.

5. Ordinary Resolution Number Five

GENERAL AUTHORITY TO ISSUE SECURITIES FOR CASH

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

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

(b) the number of ordinary shares issued for cash shall, in any 1 (one) financial year in the aggregate, not exceed 30 026 563 shares, being 30% (thirty percent) of the Company's issued shares as at the date of this Notice, excluding treasury shares;

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

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

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

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

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

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

EXPLANATORY NOTE:

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

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

6. Ordinary Resolution Number Six

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

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

7. Ordinary Resolution Number Seven

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

To endorse, by way of non-binding votes:

7.1 the Company's Remuneration Policy detailed on page 20 of the Company's Integrated Report; and

7.2 the Company's Remuneration Implementation Report detailed on page 21 of the Company's Integrated Report.

The Ordinary Resolutions numbered 7.1 and 7.2 constitute separate ordinary resolutions and will be considered by separate votes.

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

Ordinary Resolution Numbers 7.1 and 7.2 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements; however, the Board will take the outcome of the votes on these resolutions into consideration when considering amendments to the Company's Remuneration Policy. Should either of the resolutions, or both, be opposed by 25% (twenty-five percent) or more of the total number of votes exercisable by shareholders present or represented by proxy at the AGM, the Board will issue an invitation, included in the announcement to shareholders advising of the results of the AGM, to be published on SENS on 21 August 2020, to those shareholders who voted against the applicable resolution to engage with the Company at a meeting scheduled for this purpose.

8. Ordinary Resolution Number Eight

GENERAL PAYMENTS

To resolve that, in terms of the MOI and subject to the provisions of the Companies Act and the Listings Requirements, the Board shall be entitled, from time to time, to pay by way of a reduction of share premium, capital distributions to shareholders of the Company in lieu of a dividend. Such distributions shall be made pro rata to all shareholders and shall be amounts equal to the amounts which the Board would have declared and paid out of profits of the Company as interim and final dividends in respect of the financial year ending 31 March 2020. This authority shall not extend beyond the date of the AGM following the date of the AGM at which this resolution is being proposed, or 15 (fifteen) months from the date of the resolution, whichever period is shorter.

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

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

SPECIAL RESOLUTIONS

To consider and, if deemed fit, pass the undermentioned Special Resolutions Numbers 1 to 5, with or without modification in the manner required by the Companies Act, as read with the Listings Requirements. In order to be adopted these resolutions require the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders present or represented by proxy at the meeting:

1. Special Resolution Number One

FINANCIAL ASSISTANCE

"To authorise the Directors of the Company, in terms of section 45 of the Act, to cause the Company to provide any direct or indirect financial assistance to any Director or Prescribed Officer of the Company, or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated company or corporation, or to a person (as defined in the Act) related to any such company (including the Company), corporation, Director, Prescribed Officer or member (to the extent, if any, necessary in law) in so far as any Director or Prescribed Officer thereof is a participant thereof.

EXPLANATORY NOTE:

The reason for this special resolution is, and the effect thereof will be, to grant the Directors of the Company the authority to cause the Company to provide financial assistance to any Director or Prescribed Officer of the Company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company (including the Company), corporation, Director, Prescribed Officer or member, as contemplated in section 45 of the Act.

2. Special Resolution Number Two

FINANCIAL ASSISTANCE FOR SUBSCRIPTION OF SECURITIES

To authorise the Directors of the Company, in terms of section 44 of the Act, to provide direct or indirect financial assistance by way of loans, guarantees, the provision of security or otherwise to any person (as defined in the Act), for the purposes of, or in connection with, the subscription of any option, or any securities (as defined in the Act), issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company.

EXPLANATORY NOTE:

The reason for this special resolution is, and the effect thereof will be, to grant the Directors of the Company the authority to cause the Company to provide direct or indirect financial assistance to any person as contemplated in section 44 of the Act.

3. Special Resolution Number Three

GENERAL AUTHORITY TO REPURCHASE SHARES

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

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

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

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

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

3.5 at any 1 (one) time, the Company (or any subsidiary) may only appoint 1 (one) agent to effect any repurchase on behalf of the Company or any subsidiary (as the case may be);

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

3.7 the repurchase of shares shall not, in the aggregate, in any 1 (one) financial year, exceed 20% (twenty percent) of the Company's issued share capital at the time this authority is given, provided that a subsidiary of the Company (or subsidiaries of the Company collectively) shall not hold in excess of 10% (ten percent) of the number of shares issued by the Company;

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

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

EXPLANATORY NOTE:

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

STATEMENT OF DIRECTORS

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

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

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

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

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

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

4. Special Resolution Number Four

SPECIFIC AUTHORITY TO REPURCHASE AND CANCEL TREASURY SHARES

To authorise the Company to repurchase 2 200 000 PBT Group Limited ordinary shares currently held in treasury by the Company's wholly owned subsidiary, Stricklands Tetra Cape Proprietary Limited, (wholly owned subsidiary having the meaning ascribed thereto in the Act), subject to the provisions (to the extent applicable) of the Act, as amended, and in accordance with the Listings Requirements and the MOI of the Company and that authority is hereby granted to the Board of Directors of the Company to repurchase the shares as aforesaid and to cancel such shares in accordance with the applicable provisions of the Act.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER FOUR

The reason for Special Resolution Number 4 is to grant the Board of Directors of the Company the specific authority to repurchase 2 200 000 ordinary shares in PBT Group Limited from Stricklands Tetra Cape Proprietary Limited.

The effect of Special Resolution Number 4 is that the Directors of the Company will be granted the specific authority to repurchase and cancel 2 200 000 ordinary shares in PBT Group Limited and the purchase price shall be discharged by a cash payment from cash on hand and will result in a reduction in the number of shares in issue after cancellation of the repurchased shares.

STATEMENT OF DIRECTORS

As at the date of this report, the Company's Directors confirm that, after considering the effect of the specific repurchase, they have authorised the specific repurchase and have ascertained and resolved that the provisions of sections 4 and 48 of the Act will be complied with and for a period of 12 (twelve) months after such specific repurchase:

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

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

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

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

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

DISCLOSURES REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS

In terms of the Listings Requirements the following disclosures are required with reference to the repurchase of the Company's shares as set out in Special Resolutions Numbers 3 and 4 above:

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on pages 12 and 13 of this report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all information required by law and the Listings Requirements.

MATERIAL CHANGES

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

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

- major shareholders of the Company (refer to pages 6 and 7); and
- share capital (refer to page 73);
- Directors (refer to pages 12 and 13); and
- Directors' interest in the Company's shares (refer to pages 6 and 7).

5. Special Resolution Number Five

AUTHORITY TO PAY NON-EXECUTIVE DIRECTORS' FEES

To authorise that the Non-Executive Directors' fees paid for the period ended 31 March 2020 as set out on page 85 of this document, be and are hereby approved.

Further, to authorise that the Non-Executive Directors' fees payable for the period 1 April 2020 to 31 March 2021 be and are hereby approved:

Rand	2021	2020
Director		
Tony Taylor (Chairman)	221 328	208 800
Cheree Dyers	184 440	174 000
Herman Steyn	184 440	174 000
Arthur Winkler	184 440	174 000

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

Rand	2021	2020
Board meetings	12 190	11 500
Audit and Risk Committee (per meeting)	6 360	6 000
Remuneration and Nomination Committee (per meeting)	6 360	6 000
Social and Ethics Committee (per meeting)	6 360	6 000

EXPLANATORY NOTE:

The reason for this special resolution is, and the effect thereof will be, to grant the Company the authority to pay fees to Non-Executive Directors for their services as Directors in terms of section 66 of the Companies Act. Furthermore, in terms of the Act and King IV™, remuneration payable to Non-Executive Directors should be approved by shareholders in advance or within the previous 2 (two) years.

To transact such other business (if any) as may be transacted at an AGM

ENTITLEMENT TO ATTEND AND VOTE AT THE AGM IN PERSON OR BY PROXY

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

CERTIFICATED AND DEMATERIALISED SHAREHOLDERS WITH "OWN NAME" REGISTRATION

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote in his/her place. The proxy need not be a member of the Company. In light of the COVID-19 virus outbreak, it is requested that proxy forms be forwarded so as to reach the Transfer Secretaries by no later than 10:00 on Wednesday, 19 August 2020, so as to assist the Company to timeously verify the identity of the shareholders and their proxies who wish to participate by electronic communication at the AGM. Proxy forms may be presented at any time prior to or at the AGM, but not later than 08:00 on the day of the meeting in accordance with the instructions therein, by e-mailing those proxy forms to TMS at proxy@tmsmeetings.co.za.

Should proxy forms be presented at the Company's Transfer Secretaries these must be completed and received at least 48 (forty-eight) hours before the commencement of the AGM (excluding weekends and public holidays). Presentation of suitable identification by the proxy when registering his/her attendance on the day of the AGM will be required.

DEMATERIALISED SHAREHOLDERS, OTHER THAN WITH "OWN NAME" REGISTRATION

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

PARTICIPATION IN THE MEETING

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

	2020
Record date to receive the Notice of Annual General Meeting	Friday, 10 July
Date of posting the Notice of Annual General Meeting	Friday, 17 July
Last date to trade to be eligible to vote	Tuesday, 11 August
Record date to be eligible to attend, participate and vote at the Annual General Meeting	Friday, 14 August
For administrative purposes, preferable date by which forms of proxy for the Annual General Meeting are requested to be lodged, by 10:00 on	Wednesday, 19 August
Annual General Meeting at 10:00	Friday, 21 August
Results of Annual General Meeting published on SENS on	Friday, 21 August

On a poll, every shareholder participating in person or represented by proxy or by letter of representation and entitled to vote shall be entitled to that proportion of the total votes in the Company which is the aggregate amount of the nominal value of all shares issued by the Company.

This Notice of AGM includes the attached proxy form.

ELECTRONIC PARTICIPATION

Shareholders who wish to electronically participate in and/or vote at the AGM are required to complete the Electronic Participation Application Form attached to this document on page 117 and e-mail same to TMS at proxy@tmsmeetings.co.za and contact them on +27 11 520 7950/1/2 as soon as possible, but in any event no later than 10:00 on Wednesday, 19 August 2020. Shareholders are strongly encouraged to submit votes by proxy before the meeting. If shareholders wish to participate in the AGM, they should instruct their CSDP or broker to issue them with the necessary letter of representation to participate in the AGM, in the manner stipulated in their custody agreement. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker, to accommodate such requests.

TMS will assist shareholders with the requirements for electronic participation in, and/or voting at the AGM. TMS is further obliged to validate (in correspondence with PBT Group and, in particular, the Transfer Secretaries, Link Market Services

South Africa Proprietary Limited (Link) and shareholders' CSDPs) each such shareholder's entitlement to participate in and/or vote at the AGM, before providing him/her/it with the necessary means to access the AGM and/or the associated voting platform.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the JSE, PBT Group and/or TMS. None of the JSE, PBT Group or TMS can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the AGM.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the AGM. Shareholders are strongly encouraged to submit votes by proxy in advance of the AGM to Link, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) South Africa, e-mail meetfax@linkmarketservices.co.za or facsimile 086 674 2450 by no later than 10:00 on Wednesday, 19 August 2020.

Kindly ensure that TMS is copied when submitting all completed proxy forms and/or letters of representation to Link.

Please forward all relevant information to the below-mentioned:

The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square
2 Gwen Lane
Sandown
South Africa
2196

Attention: Michael Wenner, Farhana Adam or Izzy van Schoor
Tel: +27 11 520 7950/1/2
E-mail: michael.wenner@tmsmeetings.co.za
E-mail: farhana.adam@tmsmeetings.co.za
E-mail: izzy.vanschoor@tmsmeetings.co.za
E-mail: proxy@tmsmeetings.co.za

As required in terms of section 63(1) of the Companies Act, before any person may attend or participate in the AGM, that person must present reasonably satisfactory identification and the presiding person at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. So as to comply with this verification procedure set out in section 63(1) of the Companies Act, shareholders wishing to participate electronically in the AGM are required to deliver written notice to TMS or Link by e-mail to meetfax@linkmarketservices.co.za or proxy@tmsmeetings.co.za by no later than 10:00 on Wednesday, 19 August 2020 that they wish to participate via electronic communication at the AGM (the electronic notice). For the electronic participation to be valid, it must contain:

- if the shareholder is an individual, a certified copy of his/her original identity document and/or passport and/or driver's licence;
- if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- a valid e-mail address and/or mobile telephone number (the contact e-mail address/number).

SHAREHOLDER RIGHTS

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

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

   provided that the shareholder may appoint more than 1 (one) proxy to exercise voting rights attached to different shares held by the shareholder.

2. A proxy appointment:
   (a) must be in writing, dated and signed by the shareholder; and
   (b) remains valid for:
      (i) 1 (one) year after the date on which it was signed; or
      (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).

3. Except to the extent that the MOI of the Company provides otherwise:

   (a) a shareholder of the Company may appoint 2 (two) or more persons concurrently as proxies, and may appoint more than 1 (one) proxy to exercise voting rights attached to different securities held by the shareholder;

   (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and

   (c) a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint a proxy:

   (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;

   (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and

   (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
      (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
      (ii) delivering a copy of the revocation instrument to the proxy and to the Company.

5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:

   (a) the date stated in the revocation instrument, if any; or

   (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).

6. If the instrument appointing a proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by this Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to:

   (a) the shareholder; or

   (b) the proxy or proxies, if the shareholder has:
      (i) directed the Company to do so, in writing; and
      (ii) paid any reasonable fee charged by the Company for doing so.

7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI, or the instrument appointing the proxy, provides otherwise.

8. If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument for appointing a proxy:

   (a) the invitation must be sent to every shareholder which is entitled to notice of the meeting at which the proxy is intended to be exercised;

   (b) the invitation, or form of instrument supplied by the Company for the purpose of appointing a proxy, must:
      (i) bear a reasonably prominent summary of the rights established by this section;
      (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
      (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;

   (c) the Company must not require that the proxy appointment be made irrevocable; and

   (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).

9. Subsection (8)(b) and (d) does not apply if the Company merely supplies a generally available standard form of proxy appointment on request by a shareholder.

By order of the Board

Anastassia Sousa
Company Secretary

Cape Town
17 July 2020

FORM OF PROXY

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

FOR USE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY TO BE HELD ENTIRELY BY ELECTRONIC COMMUNICATION ON 21 AUGUST 2020, AND AT ANY ADJOURNMENT THEREOF

THIS FORM OF PROXY IS ONLY FOR USE BY:

- shareholders who hold their shares in certificated form; and
- shareholders who hold dematerialised shares with "own name" registration.

Other shareholders must give their voting instructions to their CSDP or broker (see note 8).

In light of the COVID-19 virus outbreak, it is required that proxy forms be forwarded so as to reach the Transfer Secretaries by no later than 10:00 on Wednesday, 19 August 2020, so as to assist the Company to timeously verify the identity of shareholders and their proxies who wish to participate by electronic communication at the AGM. If shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration and who are entitled to participate in and vote at the AGM do not deliver the proxy forms to the Transfer Secretaries, they will nevertheless be entitled to lodge the form of proxy in respect of the AGM immediately prior to the AGM, but not later than 08:00 on the day of the meeting in accordance with the instructions therein, by e-mailing those proxy forms to TMS at proxy@tmsmeetings.co.za.

Each shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy (who need not be a shareholder of the Company) to attend, participate in and speak and vote in place of that shareholder at the AGM, and at any adjournment thereafter.

Please note the following:

- the appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the AGM;
- the appointment of the proxy is revocable; and
- you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company.

Please note that any shareholder of the Company that is a company may authorise any person to act as its representative at the AGM.

Please also note that section 63(1) of the Act requires that persons wishing to participate in the AGM (including the aforementioned representative) provide satisfactory identification before they may so participate.

I/We (full name in block letters) ____

of (please print address) ____

being the registered holder/s of ______________________________ ordinary shares hereby appoint

1. ____ whom failing

2. ____ whom failing

3. the Chairman of the AGM, as my/our proxy to act for me/us and on my/our behalf at the AGM of the Company to be held on Friday, 21 August 2020 and at any adjournment thereof as follows:

		Number of shares		
		For	Against	Abstain
Ordinary Resolution Number 1	Reappointment of the independent auditor and designated auditor of the Company			
Ordinary Resolution Number 2.1	Reappointment of Cheree Dyers as Non-Executive Director			
Ordinary Resolution Number 2.2	Reappointment of Tony Taylor as Non-Executive Director			
Ordinary Resolution Number 3.1	Appointment of Bianca Pieters as Chief Financial Officer			
Ordinary Resolution Number 3.2	Appointment of Elizna Read as Chief Executive Officer			
Ordinary Resolution Number 4.1	Reappointment of Arthur Winkler as Audit and Risk Committee member			
Ordinary Resolution Number 4.2	Reappointment of Cheree Dyers as Audit and Risk Committee member			
Ordinary Resolution Number 4.3	Reappointment of Tony Taylor as Audit and Risk Committee member			
Ordinary Resolution Number 5	General authority to issue securities for cash			
Ordinary Resolution Number 6	Directors' or Group Company Secretary's authority to implement resolutions			
Ordinary Resolution Number 7.1	Endorsement of Remuneration Policy			
Ordinary Resolution Number 7.2	Implementation of Remuneration Policy			
Ordinary Resolution Number 8	General payments			
Special Resolution Number 1	Financial assistance			
Special Resolution Number 2	Financial assistance for subscription of securities			
Special Resolution Number 3	General authority to repurchase shares			
Special Resolution Number 4	Specific authority to repurchase and cancel treasury shares			
Special Resolution Number 5	Authority to pay Non-Executive Directors' fees			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote (see note 2).

This proxy shall be valid only until the AGM of the shareholders of the Company to be held on Friday, 21 August 2020 and any adjournment thereof.

Signed at ______________________________ on ____________________ 20______.

Signature____

(Authority of signatory to be attached if applicable – see note 5)

Assisted by me (where applicable – see note 10) ____________________ Telephone number ____________

Please also read the notes overleaf.

NOTES TO THE PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided with or without deleting "the Chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy form will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
3. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of votes cast and in respect of which any abstention is recorded may not exceed the total votes exercisable by the shareholder or his/her proxy.
4. Any deletion, alteration or correction to this form of proxy must be initialled by the signatory/ies, but any such alteration or correction will only be validly made if it is accepted by the Chairperson.
5. Documentary evidence establishing the authority of a person signing this form of proxy in the representative capacity must be attached to this form of proxy unless previously recorded by the Company.
6. Forms of proxy must be delivered to Link Market Services South Africa Proprietary Limited before a proxy may exercise any voting rights at the AGM by returning them to Link Market Services South Africa Proprietary Limited, to be received on or before 10:00 on Wednesday, 19 August 2020. Forms can be posted or e-mailed. E-mail to meetfax@linkmarketservices.co.za or post to Link Market Services South Africa Proprietary Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), or if not so received by 10:00 on Wednesday, 19 August 2020, by e-mailing it to TMS at proxy@tmsmeetings.co.za at any time before the commencement of the AGM but not later than 08:00 on the day of the AGM.
7. The completion and lodging of this form of proxy by certificated members and dematerialised members with "own name" registration will not preclude the shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, in which case the appointment of any proxy will be suspended to the extent that the shareholder chooses to act in person in the exercise of his/her voting rights at the AGM.
8. Dematerialised shareholders, other than with "own name" registration, must advise their Central Securities Depository Participant (CSDP) or broker of their voting instructions if they are unable to attend the AGM, but wish to be represented thereat. This should be done by the cut-off time stipulated by their CSDP or broker. If, however, such members wish to attend the AGM electronically, then they will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP or broker.
9. A form of proxy shall be deemed to include the right to demand or join in demanding a poll.
10. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.

Registered office

2 Mews Close
Waterford Mews
Century City
7441

Postal address

PO Box 276
Century City
7446
Tel: 021 551 0937

Transfer secretaries

Link Market Services South Africa Proprietary Limited
19 Ameshoff Street, Braamfontein, 2001
PO Box 4844
Johannesburg, 2000

FORM OF ELECTION

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

(FOR USE BY CERTIFICATED SHAREHOLDERS ONLY)

PART A: FORM OF ELECTION (TO BE COMPLETED BY ALL CERTIFICATED SHAREHOLDERS)

If you do not wish to receive the default option as described in the Letter to Stakeholders, being a dividend from income reserves, you must complete this Form of Election.

By completing this form, you confirm that you are the rightful shareholder of the relevant PBT Group ordinary shares (PBT Shares), that you have full legal capacity to contract, that you are in possession of the Letter to Stakeholders and that you understand the implications of the elections offered to you in the Letter to Stakeholders to which this form is attached.

	PBT Group Limited dividend from income reserves	PBT Group Limited capital reduction distribution
Election – Election regarding the PBT Group Limited distribution *(insert the number of PBT Shares that you wish to apply to each of the options)*		

Notes

1. Elections made as part of this form are irrevocable and may not be withdrawn once submitted.
2. The Form of Election must only be used by certificated shareholders.
3. All dematerialised shareholders are reminded that the onus is on them to communicate with their Central Securities Depository Participant (CSDP) or broker.
4. Forms of election should be lodged with or mailed to:
   Link Market Services South Africa Proprietary Limited
   13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001
   PO Box 4844
   Johannesburg, 2000
   specialprojects@linkmarketservices.co.za

   To be received by no later than 12:00 on 7 August 2020.
5. Any alteration or correction made to this Form of Election, other than the deletion of alternatives, must be initialled by the signatory/ies.

Signed at ______________________________ on ______________________ 2020.

Signature ____

Assisted by (if applicable) ______________________________

Address ____

Telephone number _______________________________________

Cell phone number ______________________________________

PART B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM

FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF PBT GROUP WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS

Full name of registered shareholder													
Identity number of person signing this form													
Your shareholder number (if known)													
E-mail address													
Cell phone number													
Office phone number													
Home phone number													

REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS

PLEASE NOTE: We cannot accept banking details in the name of a third party

Name of bank account holder			
Name of South African Bank			
Name of bank branch	Bank account number		
Bank branch code	Account type ☐ Cheque ☐ Transmission ☐ Savings		
I/We hereby authorise			
Link Market Services South Africa Proprietary Limited and/or PBT to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous reinvestment instructions.			
Signature of shareholder	Day	Month	Year
If you are signing this form in a representative capacity, please indicate which capacity (see notes below)			

BANK VERIFICATION I/We confirm that the above information about the abovementioned shareholder's account at this Bank is correct **Signed on behalf of Bank** THIS MUST BE COMPLETED BY YOUR BANK	BANK STAMP HERE

THIS FORM MUST BE SIGNED AND ACCOMPANIED BY AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT. (COPIES OF CERTIFIED COPIES WILL NOT BE ACCEPTED).

PLEASE BE ADVISED THAT FACSIMILE/ELECTRONIC COPIES WILL NOT BE ACCEPTED.

Notes

1. Any alteration to this Election Form must be signed in full and not merely initialled.
2. No receipt will be issued for documents lodged, unless specifically requested. Persons requiring receipts must prepare a receipt and forward it together with their Documents of Title surrendered.
3. If this Election Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this Election Form (unless it has already been noted by the Company or its Transfer Secretaries). If the power of attorney is not yet noted by the Company or its Transfer Secretaries, the original document will have to be provided in order to process the election.
4. Where the certificated shareholder is a company, close corporation or other juristic person, unless it has already been registered with the Company or its Transfer Secretaries, a certified copy of the directors or members or other resolution authorising the signing of this Election Form must be submitted with this Election Form, unless this requirement is waived by PBT Group.
5. Note 4 above does not apply in the case of a form bearing a JSE broker's stamp.
6. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
7. Where there are joint holders of any shares, only that holder whose name stands first in the Register in respect of those shares need to sign this Election Form.
8. Certificated shareholders who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing PART B: Direct Credit – Bank Account Details attached hereto and returning same to the Transfer Secretaries for the cash payment of the fraction portion.

ELECTRONIC PARTICIPATION APPLICATION FORM

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

ELECTRONIC PARTICIPATION IN THE PBT GROUP ANNUAL GENERAL MEETING (AGM)

1. Shareholders or their proxies who wish to participate in the AGM via electronic communication (Participants), must deliver the Electronic Participation Application Form below to TMS via e-mail to proxy@tmsmeetings.co.za.
2. Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote/s counted at the AGM, must provide TMS with the information requested below.
3. Each Participant, who has complied with the requirements below, will be contacted between Wednesday, 19 August 2020 and Thursday, 20 August 2020 via e-mail/mobile with a unique link to allow them to participate in the virtual meeting.
4. The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
5. The cut-off time, for administrative purposes, to participate in the meeting will be 10:00 on Wednesday, 19 August 2020.
6. The Participant's unique link will be forwarded to the e-mail/cell number provided in the Electronic Participation Application Form below.

Name and surname of shareholder ____________________

Name and surname of shareholder representative (if applicable) ____________________

ID Number ____________________

E-mail Address ____________________

Cell Number ____________________

Telephone Number ____________________

Name of CSDP or Broker ____________________
(if shares are held in dematerialised format)

SCA Number or Broker Account Number ____________________

Number of Shares ____________________

Signature ____________________ Date ____________________

Terms and conditions for participation at the PBT Group Annual General Meeting (AGM) via electronic communication

1. The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the AGM is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
2. The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies PBT Group, the JSE Limited and TMS against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against PBT Group, the JSE Limited and TMS, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the AGM.
3. Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote/s counted at the AGM, must act in accordance with the requirements set out above.
4. Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
5. The application will only be deemed successful if the Electronic Participation Application Form has been completed and fully signed by the Participant and e-mailed to TMS at proxy@tmsmeetings.co.za.

Shareholder's name ____________________

Signature ____________________ Date ____________________

GLOSSARY

AGM	Annual General Meeting
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BOARD	the Board of Directors of the Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	cash-generating unit
COMPANIES ACT	South African Companies Act, Act 71 of 2008 (as amended)
CSDP	Central Securities Depository Participant
CSI	corporate social investment
ECL	expected credit losses
IAS	International Accounting Standards
ICT	information and communication technology
IFRS	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
JSE	the stock exchange operated by JSE Limited
KING IV	King IV Report on Corporate Governance for South Africa, 2016
LISTINGS REQUIREMENTS	the Listings Requirements of the JSE
MEA	Middle East and Africa
OCI	other comprehensive income
PBT GROUP	PBT Group Limited
PBTit	PBT Insurance Technologies Proprietary Limited
PRESCIENT CAPITAL	Prescient Capital Proprietary Limited
PRESCIENT HOLDINGS	Prescient Holdings Proprietary Limited
SAICA	South African Institute of Chartered Accountants
SENS	Stock Exchange News Service
SIC	Standard Interpretations Committee
TBIS	Technique Business Intelligence Software Proprietary Limited
WHT	withholding tax

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

PBT group

DATA SPECIALISTS

www.pbtgroup.co.za