

PBT Group Limited  
(Previously Prescient Limited)  
Registration number: 1936/008278/06  
JSE share code: PBG  
ISIN: ZAE000227781  
Condensed consolidated provisional financial results  
for the year ended 31 March 2017

Notes to the condensed consolidated provisional financial  
statements

Basis of preparation and accounting policies

Statement of compliance

The condensed consolidated provisional financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the presentation of the condensed consolidated provisional financial statements are in terms of IFRS and are consistent with those presented in the previous consolidated financial statements.

These condensed consolidated provisional financial statements were prepared under the supervision of the Financial Director, AM Louw. The Board of Directors approved these financial statements on 30 June 2017.

Judgements and estimates

Preparing the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated provisional financial statements, significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2016.

Related party transactions

PBT Group Limited (previously Prescient Limited) and its subsidiaries ("the Group" or "the Company"), in the ordinary course of business, entered into various intercompany transactions with related parties. The Company has related party relationships with subsidiaries and with its key management personnel. There were no significant changes to these relationships, other than those transactions between the Prescient Holdings (Pty) Limited Group and the remaining entities in the PBT Group. Prescient Holdings (Pty) Ltd Group no longer forms part of the PBT Group.

Subsequent events

There were no material events subsequent to the reporting date other than the special dividend. Refer to the dividend paragraph for further information.

Review of operations

During the period under review, PBT Group Limited's shareholders approved a transaction with Stellar Capital Partners Limited and received a distribution to an amount of R1.428 billion from Prescient Holdings (Pty) Ltd ("Prescient Holdings") resulting in the effective disposal of Prescient Holdings. Prescient Limited was renamed to PBT Group Limited to better reflect the ongoing operations and strategic vision of the Company.

The pro rata income and expenses associated with Prescient Holdings is disclosed as profits from discontinued operations in the condensed consolidated provisional statement of profit or loss and other comprehensive income. The comparative profit

from Prescient Holdings for the prior year has been restated to reflect as profits from discontinued operations in the comparative period. The corresponding earnings per share and headline earnings per share have also been reflected as a split between continuing and discontinued operations.

Total loss after tax from continuing operations after the impairment of goodwill (R31.6 million) for the period was R23.6 million (March 2016: profit of R19.7 million) with profit before tax for continuing operations being R1.8 million (March 2016: profit of R40 million). Headline earnings per share was 5.93 cents per share (March 2016: 6.79 cents per share) while headline earnings per share for continuing operations was 0.16 cents per share (March 2016: 0.98 cents per share) and headline earnings per share for discontinued operations was 5.77 cents per share (March 2016: 5.81 cents per share).

The weighted average number of shares in issue for the 12 months ended 31 March 2017 was 1 619 927 367 (March 2016: 1 600 156 235).

#### South Africa and Australia

The South African and Australian operations continue to operate well despite the general challenging environment. The demand for our services in these two segments remain strong and resulted in satisfactory growth and profits.

#### Middle-East/Africa

The headwinds in the Middle-East/Africa ("MEA") segment of our business resulted in a loss after tax of R51.8 million for the region. The negative payment culture resulted in very high interest charges and a bad debt write-off of R18.4 million. An implemented change in the tax law resulted in withholding tax ("WHT") of R16.86 million expensed as additional tax paid in the current financial year that resulted in an exceptionally high tax charge. This will be a recurring expense in future periods. WHT is deducted from payments to the Company from certain MEA countries. South Africa has Double Tax Agreements with most of these countries which disallows the deduction of WHT. The WHT was allowed as a credit against the South African Tax in terms of Section 6quin of the Income Tax Act. This Section has however been deleted and for all tax years starting on or after 1 January 2016 no concession is allowed. As of this date a deduction can't not be claimed against the income in terms of Section 6quat(1C) of the Income Tax Act. Although WHT of R14.9 million relating to previous periods is available to be offset against future tax payable, we felt it prudent to impair this asset and expense it through profit or loss.

#### Dividend

In accordance with the SENS announcement released on 26 May 2017, an excess payout was made post year end to PBT Group by Prescient Holdings Group. The cash portion of this excess payout amounted to R26.2 million and will be paid out to shareholders as a special dividend before or during the first week of August 2017 which details will be announced on SENS in due course. No dividend from normal commercial operations has been declared for the 6 months ended 31 March 2017.

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

#### Prospects

Our South African and Australian operations continue to perform well and will in all likelihood continue to do so. We continue to experience good cash flows in these regions. A very small portion of revenue in these regions is based on fixed price projects resulting in a clear cut operating environment. The demand for services is very strong and exceeds the availability of skills.

The trading environment in the Middle-East/Africa region has deteriorated vastly over the last two reporting periods. The change in legislation regarding the treatment of withholding tax, the payment culture and the blatant disregarding of Double Tax Agreements make profitable trading in some accounts in this region highly unlikely. Accordingly, we shall downscale our operations in this region, taking into account the reduced requirements from our clients as well as the duration of our

current contract with clients.

#### Changes to Management and the Board of Directors

There were a number of changes to the Board during the period and subsequent to the end of the period under review.

KR Moloko, R van Rooyen and ZK Meyer resigned as independent non-executive directors effective 17 March 2017. PJ De Wet was appointed as CEO and AJ Taylor and CL Dyers were appointed as independent non-executive directors on 17 March 2017. AJ Taylor was appointed as lead independent non-executive director. Additionally, AL Winkler was appointed as an independent non-executive director effective 17 May 2017.

The Board wishes PJ de Wet well in his new role.

#### Review of the Independent Auditor

The condensed consolidated provisional financial statements of PBT Group Limited for the year ended 31 March 2017 have been reviewed by KPMG Inc., who expressed an unmodified review conclusion. The auditor's report does not necessarily report on all of the information contained in this financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

#### Forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition and results of the operations of PBT Group Limited that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. These may relate to future prospects, opportunities and strategies. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may differ from those anticipated. By consequence, none of the forward-looking statements have been reviewed or reported on by the Group's auditor.

#### CONDENSED CONSOLIDATED PROVISIONAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed 2017 R'000	Audited 2016 R'000 Restated*
Total income		612 741	543 136
Services fees		572 287	538 913
Interest and dividend income		17 999	907
Other investment income		22 455	3 316
Cost of information management services		(447 985)	(405 573)
Operating expenses		(128 899)	(94 868)
Impairment of goodwill	3	(31 645)	-
Share-based payment expense		(462)	(455)
Profit from operations		3 750	42 240
Other income		4 819	2 494
Finance costs		(6 724)	(4 694)
Profit before tax		1 845	40 040
Income tax expense	5	(25 449)	(20 387)
(Loss)/profit from continuing operations		(23 604)	19 653
Discontinued operations			
Profit from discontinued operations	2	1 229 633	99 439
Profit for the year		1 206 029	119 092
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences - foreign operations		(8 183)	17 398
Tax on other comprehensive income		-	-
Other comprehensive (loss)/income for the year, net of tax		(8 183)	17 398
Total comprehensive income for the year		1 197 846	136 490
Profit attributable to:			
Owners of the Company		1 203 543	109 004

Non-controlling interests		2 486	10 088
Profit for the year		1 206 029	119 092
Total comprehensive income attributable to:			
Owners of the Company		1 195 360	123 489
Non-controlling interests		2 486	13 001
Total comprehensive income for the year		1 197 846	136 490
Earnings per share (cents)			
Continuing operations	1	(1.53)	0.88
Discontinued operations	1	76.99	5.81
Diluted earnings per share (cents)			
Continuing operations	1	(1.53)	0.88
Discontinued operations	1	76.99	5.81
Headline earnings per share (cents)			
Continuing operations	1	0.16	0.98
Discontinued operations	1	5.77	5.81
Diluted headline earnings per share (cents)			
Continuing operations	1	0.16	0.98
Discontinued operations	1	5.77	5.81

\*Refer to note 2.

CONDENSED CONSOLIDATED PROVISIONAL STATEMENT OF FINANCIAL POSITION

		Reviewed 2017 R'000	Audited 2016 R'000
Assets	Notes		
Non-current assets		385 825	11 667 621
Property and equipment		23 831	29 241
Investment property		33 430	35 728
Goodwill and intangible assets	3	286 215	397 960
Deferred tax asset		7 353	14 197
Long-term loans and other receivables		2 581	54 186
Investment in equity-accounted investees		289	9 658
Financial assets at fair value through profit or loss		32 126	151 439
Linked investments backing policyholder funds		-	10 975 212
Current assets		291 547	1 077 824
Inventory		19 787	35 688
Trade and other receivables	4	227 668	214 959
Amounts owing by clearing houses		-	192 777
Amounts owing by clients		-	429 186
Taxation receivable		-	13 623
Cash and cash equivalents		44 092	191 591
Total assets		677 372	12 745 445
Equity			
Stated capital		144 015	667 660
Reserves		5 400	7 066
Retained income		410 600	152 451
Total equity attributable to owners of the Company		560 015	827 177
Non-controlling interests		12 434	24 064
Total equity		572 449	851 241
Liabilities			
Non-current liabilities		48 899	11 018 427
Deferred tax liability		5 988	13 548
Policyholder investment contract liabilities		-	10 974 330



Contributions by and distributions to owners of the Company								
Treasury shares sold	-	-	9 260	-	11 166	20 426	-	20 426
Equity-settled share based-payments	-	-	-	1 680	-	1 680	-	1 680
Termination of forfeitable share plan*	-	-	-	(4 423)	4 423	-	-	-
Dividends declared during the year	-	-	-	-	(69 276)	(69 276)	(3 430)	(72 706)
Capital distribution **	(469 853)	-	-	-	(957 969)	(1 427 822)	-	(1 427 822)
Adjustment to reflect the PBT Group Limited share capital after disposal of Prescient Holdings (Pty) Ltd	(53 792)	-	-	-	53 792	-	-	-
Total contributions by and distributions to owners of the Company	(523 645)	-	9 260	(2 743)	(957 864)	(1 474 992)	(3 430)	(1 478 422)
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests	-	-	-	-	12 470	12 470	(12 470)	-
Disposal of subsidiary	-	-	-	-	-	-	1 784	1 784
Total changes in ownership interests in subsidiaries	-	-	-	-	12 470	12 470	(10 686)	1 784
Total transactions with owners of the Company	(523 645)	-	9 260	(2 743)	(945 394)	(1 462 522)	(14 116)	(1 476 638)
Balance at 31 March 2017	144 015	12 716	(7 316)	-	410 600	560 015	12 434	572 449

\* During December 2016, the Group's forfeitable share plan had been terminated.

\*\* Refer to note 2.

Dividend per share (cents)		2017	2016
Interim - declared 13 December 2016 (2016: 26 November 2015)		2.25	2.85
Final - (2016: 29 June 2016)		-	1.90

#### CONDENSED CONSOLIDATED PROVISIONAL STATEMENT OF CASH FLOWS

	Notes	2017 R'000	2016 R'000
Cash flows from operating activities			
Profit for the year		1 206 029	119 092
Income tax expense		25 449	47 202
Non-cash movements and adjustments to profit before tax		(1 318 195)	(970 453)
Cash generated from policyholder activities		307 697	981 892
Contributions and investment income		3 065 617	3 495 961
Withdrawals by policyholders		(2 757 920)	(2 514 069)
Changes in working capital		(54 288)	(10 470)
Dividends received		12 641	2 946
Dividends paid		(72 706)	(97 679)
Interest received		5 358	19 358
Interest paid		(6 724)	(10 862)
Taxation paid		(25 454)	(50 998)
Net cash inflow from operating activities		79 807	30 028
Cash flows from investing activities			
Acquisition of equipment		(2 843)	(8 040)
Disposals of equipment		789	-
Acquisition of intangible assets		(1 243)	(8 382)
Proceeds on loss in control of subsidiary, net of cash disposed of		-	2 155
Disposal of equity-accounted investee		-	3 064
Proceeds on disposal of discontinued operations, net of cash disposed of (Acquisition)/disposal of financial assets at fair value through profit or loss	2	1 317 935	-
Advancement of long-term loans receivable		(5 704)	(2 313)
Cash inflow/(outflow) from investing activities		1 255 830	(7 490)
Cash flows from financing activities			
Acquisition of own shares		(145)	2 074
Capital distribution		(1 427 822)	-
Increase in loans payable		32 899	4 499
Cash (outflow)/inflow from financing activities		(1 395 068)	6 573
Net (decrease)/increase in cash and cash equivalents		(59 431)	29 111

Effect of exchange rate fluctuations on cash held	(1 070)	18 133
Cash and cash equivalents at beginning of the year	96 512	49 268
Cash and cash equivalents at end of the year	36 011	96 512

#### 1. Earnings per share

The calculation of basic earnings per share at 31 March 2017 was based on the profit attributable to ordinary shareholders of R1 184 580 219 (2016: R107 054 988), and a weighted average number of ordinary shares outstanding of 1 619 927 367 (2016: 1 600 156 235), calculated as follows:

Profit attributable to ordinary shareholders (basic) R'000	31 March 2017			31 March 2016		
	Continuing operations	Discontinued operation	Total	Continuing operations Restated*	Discontinued operations Restated*	Total
(Loss)/profit for the year, attributable to owners of the Company	(29 858)	1 233 401	1 203 543	14 684	94 320	109 004
Earnings attributable to FSP Shareholders	(5 129)	(13 834)	(18 963)	(527)	(1 422)	(1 949)
(Loss)/profit attributable to ordinary shareholders	(34 987)	1 219 567	1 184 580	14 157	92 898	107 055

\* Refer to note 2.

Weighted average number of ordinary shares (basic) In thousands of shares	2017	2016
Ordinary shares at 1 April	1 669 251	1 648 655
Effect of treasury shares held	(23 022)	(29 672)
Effect of FSP shares	(26 302)	(29 666)
Effect of shares issued and share capitalisation	-	10 839
Weighted average number of ordinary shares at 31 March	1 619 927	1 600 156

#### 1. Headline earnings per share

Headline earnings per share has been calculated in accordance with Circular 2/2015 issued by the South African Institute of Chartered Accountants. Diluted earnings per share is equal to basic earnings per share. Diluted headline earnings per share is equal to headline earnings per share.

2017

R'000	Profit before tax	Tax	Non-controlling interests	Earnings attributable to FSP shareholders	Earnings attributable to ordinary shareholders	Cents per share
Continuing operations						
Per the statement of comprehensive income	1 845	(25 449)	(6 255)	5 129	(24 730)	(1.53)
Adjustments						
Impairment loss on goodwill	31 645	-	-	-	31 645	1.95
Change in fair value of investment property	(4 179)	-	-	-	(4 179)	(0.26)
Continuing operations headline earnings	29 311	(25 449)	(6 255)	5 129	2 736	0.16
Discontinued operations						
Per the statement of comprehensive income	1 259 744	(30 111)	3 769	13 834	1 247 236	76.99
Adjustments						
Gain on sale of discontinued operations*	(1 153 710)	-	-	-	(1 153 710)	(71.22)
Discontinued operations headline earnings	106 034	(30 111)	3 769	13 834	93 526	5.77
Total						
Per the statement of comprehensive income	1 261 589	(55 560)	(2 486)	18 963	1 222 506	75.46
Total Group headline earnings	135 345	(55 560)	(2 486)	18 963	96 262	5.93

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

	Profit before tax	Tax	Non- controlling interests	Earnings attributable to FSP shareholders	Earnings attributable to ordinary shareholders	Cents per share
R'000						
Continuing operations						
Per the statement of comprehensive income	40 040	(20 387)	(4 969)	(527)	14 157	0.88
Adjustments						
Change in fair value of investment property	(3 403)	-	-	61	(3 342)	(0.21)
Gain on partial sale of equity accounted investee	(749)	-	-	13	(736)	(0.05)
Loss on loss of control of subsidiary	5 818	-	-	(104)	5 714	0.36
Continuing operations headline earnings	41 706	(20 387)	(4 969)	(557)	15 793	0.98
Discontinued operations						
Per the statement of comprehensive income	126 254	(26 815)	(5 119)	(1 422)	92 898	5.81
Discontinued operations headline gain	126 254	(26 815)	(5 119)	(1 422)	92 898	5.81
Total						
Per the statement of comprehensive income	166 294	(47 202)	(10 088)	(1 949)	107 055	6.69
Total Group headline earnings	167 960	(47 202)	(10 088)	(1 979)	108 691	6.79

## NOTES TO THE CONDENSED CONSOLIDATED PROVISIONAL FINANCIAL STATEMENTS

## 2. Discontinued operations

On 10 February 2017, the final regulatory approval had been received for the Group to sell its entire investment management segment as per the Proposed Transaction with Stellar Capital as previously communicated to shareholders in the Circular posted on 30 September 2016. The proposed transaction included a subscription of Prescient Holding's "B" shares by Stellar Capital to an amount of R1.428 billion. Following the subscription, Prescient Limited declared a distribution of the same amount to its shareholders. The application of the distribution was implemented by way of a scheme with the Prescient shareholders in terms of the Companies Act. The Prescient distribution was applied on behalf of its shareholders, based on their election, to either receive the distribution in cash, subscribe for Stellar Capital shares or reinvest into Prescient Holdings and its subsidiaries by purchasing "B" ordinary shares. The Proposed Transaction has been completed, and Prescient Holdings no longer forms part of Prescient Limited. Prescient Limited was renamed to PBT Group Limited. The investment management segment was not previously classified as a held-for-sale or as a discontinued operations. The comparative consolidated provisional statement of profit or loss and OCI has been restated to present the discontinued operations separately from continuing operations.

To achieve this presentation, management has eliminated from the results of the discontinued operations the inter segment loans, receivables and interest income and expenses.

	2017 R'000	2016 R'000
Results of discontinued operations		
Revenue	340 687	367 264
Other income	1 735	1 453
Expenses	(236 388)	(242 463)
Results from operating activities	106 034	126 254
Tax	(30 111)	(26 815)
Results from operating activities, net of tax	75 923	99 439
Gain on sale of discontinued operations*	1 153 710	-
Profit for the year	1 229 633	99 439
Earnings per share (cents)	76.99	5.81

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

Profit from discontinued operations of R1.2 billion (2016: R94.3 million) was attributable to the owners of the Company. Of the loss from continuing operations of R23.6 million (2016: profit of R19.7 million), an amount of R29.9 million was attributable to the owners of the company (2016: R14.7 million profit).

	2017	2016
Cash flows from/(used in) discontinued operations	R'000	R'000
Net cash from operating activities	88 180	62 309
Net cash used in investing activities	(87 036)	(27 932)
Net cash from financing activities	3 631	7 931
Net cash flow for the year	4 775	42 308

Major classes of assets and liabilities disposed of	2017	R'000
Property & equipment	7 705	
Goodwill and intangible assets	75 262	
Deferred tax asset	9 261	
Long-term loans receivable	68 301	
Investment in equity-accounted investee	2 382	
Financial assets at fair value through profit or loss	190 692	
Linked investments backing policyholder funds	11 192 166	
Trade and other receivables	1 213 416	
Taxation receivable	568	
Cash and cash equivalents	168 366	
Deferred tax liability	(729)	
Policyholder investment contract liabilities	(11 192 166)	
Long-term loans payable	(74 216)	
Trade and other payables	(1 218 056)	
Current tax payable	(12 093)	
Bank overdraft	(58 479)	
Net assets and liabilities	372 380	
Consideration received in cash	1 427 822	
Cash and cash equivalents disposed off	(109 887)	
Net cash inflow	1 317 935	

### 3. Goodwill and intangible assets

R'000	Goodwill	Patents and trademarks	Internally developed software	Computer software	System development costs	Total
Cost						
Opening balance - 1 April 2015	424 253	2 024	35 765	270	-	462 312
Additions	-	-	359	656	7 367	8 382
Disposals	(17 491)	-	-	-	-	(17 491)
Closing balance - 31 March 2016	406 762	2 024	36 124	926	7 367	453 203
Opening balance - 1 April 2016	406 762	2 024	36 124	926	7 367	453 203
Additions	-	-	485	758	-	1 243
Disposal of discontinued operations	(98 468)	(2 024)	-	-	(7 367)	(107 859)
Closing balance - 31 March 2017	308 294	-	36 609	1 684	-	346 587

#### Accumulated impairment/amortisation

Opening balance - 1 April 2015	31 143	704	16 161	256	-	48 264
Amortisation for the year	-	200	6 192	37	550	6 979
Closing balance - 31 March 2016	31 143	904	22 353	293	550	55 243
Opening balance - 1 April 2016	31 143	904	22 353	293	550	55 243
Amortisation for the year	-	-	5 560	521	-	6 081
Impairment loss	31 645	-	-	-	-	31 645
Disposal of discontinued operations	(31 143)	(904)	-	-	(550)	(32 597)
Closing balance - 31 March 2017	31 645	-	27 913	814	-	60 372
Carrying amounts						
At 31 March 2016	375 619	1 120	13 771	633	6 817	397 960
At 31 March 2017	276 649	-	8 696	870	-	286 215

#### Impairment test of goodwill

The Group has recognised an impairment loss of R31.6 million in profit or loss relating to goodwill of the PBT Groups' CGU's based on the value in use method to determine the recoverable amount. The value in use was determined by discounting future cash flows of the Group as a single CGU. The key assumptions used in the estimation of the recoverable amount are set out below.

The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2017	2016
Discount rate	17%	16%
Terminal value growth rate	6%	6%
Budgeted EBITDA growth rate	8%	8%

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make.

A sensitivity was performed to analyse the impact of increasing the forecast risk premium from 2% to 5%. This would result in a discount rate of 20%. Increasing the forecast risk premium by this factor, results in an impairment of approximately R94 million.

	2017	2016
4. Trade and other receivables	R'000	R'000
Trade and other receivables include the following:		
Trade receivables	132 415	208 086
Vat receivable	72	833
Deposits	1 408	1 177
Prepayments	720	3 059
Accrued income	656	708
Interest receivable	-	1 096
Dividend receivable	92 397	-
	227 668	214 959

#### 5. Income tax expense

	2017	2016
	R'000	R'000
Tax recognized in profit or loss		
Current tax expense		
Current year	15 781	9 545
Adjustment to prior years	(50)	3 934
	15 731	13 479
Withholding tax - Section 6quat(1C)	16 584	5 272
	32 315	18 751
Deferred tax expense		
Origination and reversal of temporary differences	(6 866)	1 636
	(6 866)	1 636
Income tax expense on continuing operations	25 449	20 387

#### 6. Fair value disclosure and hierarchy

The table below analyses financial instruments carried at fair value by valuation method. Fair values are determined according to the following hierarchy based on the requirements in IFRS 13 Fair Value Measurement.

Level 1	Unadjusted quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets that the company can access at the measurement date.
Level 2	Valuation techniques using observable inputs: quoted prices (other than those included in level 1) for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are less than active and financial assets and liabilities valued using models where all significant inputs are observable directly or indirectly from market data.
Level 3	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.

R'000	Level 1	Level 2	Level 3	Total
2017				
Financial assets				
Financial assets at fair value through profit or loss	31 404	722	-	32 126
Investment property	-	33 430	-	33 430
Total financial assets measured at fair value	31 404	34 152	-	65 556

R'000				
2016				
Financial assets				
Financial assets at fair value through profit or loss	112 716	38 723	-	151 439
Investment property	-	35 728	-	35 728
Linked investments backing policyholder funds	10 244 977	730 235	-	10 975 212
Total financial assets measured at fair value	10 357 693	804 686	-	11 162 379

Financial liabilities				
Policyholder investment contract liabilities	-	10 974 330	-	10 974 330
Total financial liabilities measured at fair value	-	10 974 330	-	10 974 330

#### 7. Segment report

In 2016 the Group had two reportable segments according to strategic divisions. These two segments were Financial Services and Information management services. After the disposal of the financial services group, the Group's core operations consisted of mainly Information management services. The reportable segments for the current financial year are according geographical areas, namely South Africa, Middle-East / Africa and Australia.

- South Africa includes consulting and implementation of data, management information software and healthcare administrations services in the Republic of South Africa.
- Australia includes consulting and implementation of data, management information software and healthcare administrations services in Australia.
- Middle-East/Africa includes consulting and implementation of data, management information software in Middle-East and Africa.

	CONTINUING OPERATIONS			
	South Africa		Australia	
	2017	2016	2017	2016
	R'000	R'000	R'000	R'000
Segment external total income	330 557	279 347	79 738	82 333
Segment profit/(loss) before tax	25 746	26 142	12 061	8 738
Segment assets *	179 149	77 758	28 862	30 793
Segment liabilities	(24 799)	(102 262)	(10 135)	(9 724)

	CONTINUING OPERATIONS					
	Middle-East/Africa		Other		Total	
	2017	2016	2017	2016	2017	2016
	R'000	R'000	R'000	R'000	R'000	R'000
Segment external total income	159 673	173 344	47 592	10 606	617 560	545 630
Segment profit/(loss) before tax	(40 704)	8 135	36 387	(2 975)	33 490	40 040
Segment assets *	40	136 897	192 673	153 160	400 723	398 608
Segment liabilities	(62 593)	(47 766)	(11 720)	(13 292)	(104 923)	(173 044)

	DISCONTINUED OPERATIONS			
	South Africa		Australia	
	2017	2016	2017	2016
	R'000	R'000	R'000	R'000
Segment external total income	322 322	351 226	-	-
Segment profit before tax	94 146	120 533	-	-
Segment assets *	-	11 940 949	-	-
Segment liabilities	-	(11 719 256)	-	-

	DISCONTINUED OPERATIONS					
	Middle-East/Africa		Other		Total	
	2017	2016	2017	2016	2017	2016
	R'000	R'000	R'000	R'000	R'000	R'000
Segment external total income	-	-	20 100	17 491	342 422	368 717
Segment profit before tax	-	-	11 888	5 721	106 034	126 254
Segment assets *	-	-	-	30 269	-	11 971 218
Segment liabilities	-	-	-	(1 904)	-	(11 721 160)

	South Africa		Australia	
	2017	2016	2017	2016
	R'000	R'000	R'000	R'000
Segment external total income	652 879	630 573	79 738	82 333
Segment profit/(loss) before tax	119 892	146 675	12 061	8 738
Segment assets *	88 039	12 018 707	28 862	30 793
Segment liabilities	(20 475)	(11 821 518)	(10 135)	(9 724)

	Middle-East/Africa		Other		Total	
	2017	2016	2017	2016	2017	2016
	R'000	R'000	R'000	R'000	R'000	R'000
Segment external total income	159 673	173 344	67 692	28 097	959 982	914 347
Segment profit/(loss) before tax	(40 704)	8 135	48 275	2 746	139 524	166 294
Segment assets *	91 149	136 897	192 673	183 429	400 723	12 369 826
Segment liabilities	(62 593)	(47 766)	(11 720)	(15 196)	(104 923)	(11 894 204)

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

	2017	2016
	R'000	R'000
Reconciliation of reportable segment profit or loss		
Total consolidated profit before tax for reportable segments	139 524	166 294
Less impairment of goodwill	(31 645)	-
Elimination of discontinued operations	(106 034)	(126 254)
Profit before tax	1 845	40 040

Company information

Directors:  
 PJ de Wet (CEO)  
 AM Louw (Chairman and Financial Director)  
 AJ Taylor (Lead Independent Non-executive Director)  
 AL Winkler (Independent Non-executive Director)  
 CL Dyers (Independent Non-executive Director)  
 HC Steyn (Non-executive Director)

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Auditors  
 KPMG Inc.

Sponsor  
 Bridge Capital Advisors Proprietary Limited

Transfer secretaries:  
 Link Market Services

Website:  
[www.pbtgroup.co.za](http://www.pbtgroup.co.za)