

PBT Group Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 1936/008278/06)  
JSE share code: PBG  
ISIN: ZAE000227781  
("PBT Group" or "the Company")

ABRIDGED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2018 AND NOTICE OF ANNUAL GENERAL MEETING

Shareholders are advised that the Integrated Annual Report for the year ended 31 March 2018, and the notice of annual general meeting will be dispatched to shareholders today, 30 July 2018.

In addition, the Integrated Annual Report, which includes the notice of annual general meeting, together with the consolidated annual financial statements is also available on the company's website - www.pbtgroup.co.za. Furthermore, copies of the integrated annual report and the abridged audited consolidated annual financial statements are available at the company's registered office or on request from the company secretary.

Since the publication of the Condensed Consolidated Provisional Financial Statements for the year ended 31 March 2018, the following changes have been made to the audited financial statements, all the changes related to the 31 March 2017 comparative figures and the 31 March 2018 figures remained unchanged (all numbers are expressed in thousands):

- On the Statement of Financial Position as at 31 March 2018, a reclassification was made on Other financial liabilities between non-current liabilities and current liabilities for the 2017 figure. Previously the Other financial liabilities of R35 000 was disclosed under non-current liabilities and is now disclosed under current liabilities to agree to the 2017 signed annual financial statements. The total liabilities are unchanged at R104 762.
- The headline earnings per share ("HEPS") for 2017 have changed from 4.62 cents per share to 4.78 cents per share. This is due to an impairment loss of R2 429 on intangible assets in the prior year that was not added back as an adjustment to earnings per share ("EPS").
- In the Statement of Changes of Equity, the total equity for the prior year, being 31 March 2017, was adjusted by R1,246.
- In the Statement of Cash Flows purchase and sale of equipment change from (R7 308) and R4 538 respectively to (R2 698) and R60.
- In the Statement of Cash Flows the Loans advance to group companies changed from (R5 704) to zero.

AUDIT OPINION

This abridged report is extracted from audited information, but is not itself audited. The financial statements from which these results were extracted were audited by BDO Cape Inc. and their unmodified opinion is included in the financial statements. The directors take full responsibility for the preparation of this abridged report and confirm that the financial information has been correctly extracted from the underlying annual financial statements.

The company auditors, BDO Cape Inc., have audited the consolidated annual financial statements and their unqualified report is available for inspection at the company's registered office.

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the PBT Group's shareholders will be held at PBT House, 2 Mews Close, Waterford Mews, Century City, 7441, on Friday, 21 September 2018 at 12:00 to consider and, if deemed fit, to pass with or without modification all of the ordinary and special resolutions set out in the notice of annual general meeting attached to the abridged audited consolidated annual financial statements.

The record date for shareholders to be recorded as such in the securities' register of the PBT Group in order to be able to attend, participate and vote at the annual general meeting is Friday, 14 September 2018. Accordingly, the last date to trade to be eligible to attend, participate and vote at the annual general meeting is Tuesday, 11 September 2018.

Review of operations

During the period under review, PBT Group Limited entered into an agreement with a consortium to dispose of Prescient Capital, which does not form part of the Group's core operations. A circular was released on 23 March 2018 containing the details of the proposed disposal. The date of posting the supplementary circular, as announced via SENS on 5 April 2018, will be announced in due course.

The income and expenses associated with Prescient Capital is disclosed as a loss from discontinued operations in the abridged audited consolidated financial statement of profit or loss and other comprehensive income. The comparative profit from Prescient Capital 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 for the period was R139.4 million (March 2017: R33.1 million) with loss before tax for continuing operations being R117.4 million (March 2017: R7.8 million).
- Headline loss per share was 1.55 cents per share (March 2017: earnings 4.78 cents per share).
- Headline loss per share for continuing operations was 1.35 cents per share (March 2017: 0.64 cents per share).

Headline loss per share for discontinued operations was 0.2 cents per share (March 2017: earnings 5.42 cents per share).

The weighted average number of shares in issue for the 12 months ended 31 March 2018 was 1 499 205 494 (March 2017: 1 619 927 367).

In terms of International Financial Reporting Standards, the Group performed an impairment test on Goodwill based on value-in-use and an impairment charge of R118.3m was recognised. Refer to note 4 for further details.

#### South Africa and Australia

The South African operations continued to produce satisfactory growth in revenue and profit and we are pleased to report growing demand for our services.

In Australia we experienced a subdued year. In order to grow the business beyond the two major clients, we accepted lower margin contracts. However, this will provide us with the opportunity to expand into normal margin business in these clients. A significant amount of time and cost was spent on proposals and pre-sales initiatives and we hope to profit from these efforts in future.

#### Middle-East/Africa

The headwinds experienced in the Middle-East/Africa ("MEA") segment of our business resulted in a loss after tax of R46.4 million for the region. The negative payment culture resulted in very high interest charges.

An implemented change in the tax law resulted in withholding tax ("WHT") of R15.7 million being expensed as additional tax paid in the period under review, causing an exceptionally high tax charge in the financial statements.

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

#### Dividend

In accordance with the SENS announcement released on 26 May 2017, an excess payout was made to PBT Group by Prescient Holdings. The cash portion of this excess payout amounted to R26.2 million, which was paid out to shareholders as a capital reduction on 28 August 2017. No dividend from normal commercial operations has been declared for the year ended 31 March 2018.

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

##### South Africa

The explosion in the volume of data created in organisations on a daily basis necessitates the extraction of information to remain competitive. We have been experiencing sustained and growing demand for our services in this field over a 19-year period and all indications are that this trend will continue. Our application development services are also in high demand and are growing at a sustainable pace. The worldwide shortage of skills creates opportunities, but is also a constraint as access to these skills is limited. Our client base is of very high quality and is still expanding in a controlled manner.

##### Australia

We have spent extensively in man hours and other costs on proposals and pre-sales initiatives in order to accelerate growth in this region. Our margins are also under pressure because of our long involvement at a core client. Expansion beyond this key client should restore margins and reduce client concentration risk.

##### United Kingdom and Europe

We have identified this region for expansion of our revenue base and have been actively exploring opportunities. This drive is costly, but we are very confident that this region will contribute significantly to the bottom line in future. Good relationships have been formed through our partner network and a small office infrastructure established in Utrecht, Netherlands.

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

AL Winkler was appointed as independent non-executive director effective 17 May 2017. AM Louw resigned as Chairman of the board, but continues in his role as Financial Director and AJ Taylor was appointed as the Chairman of the board on 25 August 2017.

#### 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.

Abridged Audited Consolidated Financial Statements for the year ended 31 March 2018

Abridged Audited Consolidated Statement of Financial Position as at 31 March 2018

Figures in Rand thousand	Notes	2018	2017 Restated
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		6 031	7 792
Goodwill	4	135 666	253 927
Intangible assets	5	675	9 567
Other financial assets	8	25 786	34 330
Deferred tax		2 139	7 352
		170 297	312 968
<b>Current Assets</b>			
Inventories		-	19 787
Trade and other receivables	6	91 269	224 214
Other financial assets		3 206	-
Current tax receivable		1 817	-
Cash and cash equivalents		34 202	38 172
		130 494	282 173
Non-current assets held for sale and assets of disposal groups	3	57 121	82 234
<b>Total Assets</b>		<b>357 912</b>	<b>677 375</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<b>Equity Attributable to Equity Holders of Parent</b>			
Stated capital		117 805	144 015
Reserves		(39 537)	5 400
Retained earnings		221 402	410 765
		299 670	560 180
Non-controlling interest		6 916	12 434
		306 586	572 614
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred tax		184	5 920
		184	5 920
<b>Current Liabilities</b>			
Trade and other payables		35 853	29 369
Other financial liabilities		-	35 000
Current tax payable		1 774	7 669
Provisions		6 791	9 421
Bank overdraft		152	8 081
		44 570	89 540
Liabilities of disposal groups	3	6 572	9 301
<b>Total Liabilities</b>		<b>51 326</b>	<b>104 761</b>
<b>Total Equity and Liabilities</b>		<b>357 912</b>	<b>677 375</b>

Abridged Audited Consolidated Financial Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2018

Figures in Rand thousand	Notes	2018	2017
<b>Continuing operations</b>			
Revenue		556 094	563 766
Cost of sales		(457 972)	(447 985)
Gross profit		98 122	115 781
Other income		2 756	1 311
Other operating income		111	18 872
Loss on exchange differences		(4 409)	(294)
Impairment loss		(127 041)	(34 074)
Operating expenses		(87 682)	(116 744)
Operating (loss) profit		(118 143)	(15 148)
Investment income		6 035	13 239
Finance costs		(5 191)	(5 869)
Other non-operating gains (losses)		(53)	-
(Loss) profit before taxation		(117 352)	(7 778)
Taxation		(22 018)	(25 318)
(Loss) profit from continuing operations		(139 370)	(33 096)
Discontinued operations			
(Loss) profit from discontinued operations		(42 281)	1 252 626
(Loss) profit for the year		(181 651)	1 219 530
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		193	(8 183)
Other comprehensive income for the year net of taxation		193	(8 183)
<b>Total comprehensive (loss) income for the year</b>		<b>(181 458)</b>	<b>1 211 347</b>

(Loss) profit attributable to:

Owners of the parent:		
From continuing operations	(145 836)	(39 351)
From discontinued operations	(42 281)	1 256 521
	(188 117)	1 217 170
Non-controlling interest:		
From continuing operations	6 466	6 255
From discontinued operations	-	(3 895)
	6 466	2 360
Total comprehensive (loss) income attributable to:		
Owners of the parent	(187 924)	1 208 987
Non-controlling interest	6 466	2 360
	(181 458)	1 211 347
Earnings per share		
Continued operations	(9.73)	(2.75)
Discontinued operations	(2.82)	76.71
Diluted earnings per share		
Continued	(9.73)	(2.75)
Discontinued	(2.82)	76.71

Abridged Audited Consolidated Statement of Changes in Equity for the year ended 31 March 2018

	Total attributable to equity holders of the group	Non- controlling interest	Total equity
Figures in Rand thousand			
Balance at 01 April 2016	836 437	24 064	860 501
Profit for the year	1 217 170	2 360	1 219 530
Other comprehensive income	(8 183)	-	(8 183)
Total comprehensive income for the year	1 208 987	2 360	1 211 347
Treasury shares sold	11 166	-	11 166
Equity-settled share based payments	1 680	-	1 680
Capital distribution	(1 381 820)	-	(1 381 820)
Adjustment to reflect the PBT Group Limited share capital after the disposal of Prescient Holdings Proprietary Limited	(53 792)	-	(53 792)
Termination of foefeitable share plan	(1 281)	-	(1 281)
Dividends	(73 832)	(3 304)	(77 136)
Acquisitions of non-controlling interests	12 635	(12 470)	165
Disposal of subsidiary	-	1 784	1 784
Total contributions by and distributions to owners of group recognised directly in equity	(1 485 244)	(13 990)	(1 499 234)

Abridged Audited Consolidated Statement of Changes in Equity for the year ended 31 March 2018

	Total attributable to equity holders of the group	Non- controlling interest	Total equity
Figures in Rand thousand			
Balance at 01 April 2017	558 934	12 434	571 368
Loss for the year	(188 117)	6 466	(181 651)
Other comprehensive income	193	-	193
Total comprehensive Loss for the year	(187 924)	6 466	(181 458)
Capital distribution	(26 210)	-	(26 210)
Purchase of own treasury share	(45 130)	-	(45 130)
Loss of control	-	(2 913)	(2 913)
Dividends	-	(9 065)	(9 065)
Change in ownership -control not loss	-	(6)	(6)
Total contributions by and distributions to owners of			

group recognised directly in equity	(71 340)	(11 984)	(83 324)
Balance at 31 March 2018	299 670	6 916	306 586

Abridged Audited Consolidated Statement of Cash Flows for the year ended 31 March 2018

Figures in Rand thousand	Notes	2018	2017
<b>Cash flows from operating activities</b>			
Cash generated from operations		100 371	208 986
Interest income		4 167	5 155
Dividend income		1 868	8 084
Finance costs		(5 191)	(5 869)
Tax paid		(30 059)	(19 904)
Dividends paid		-	(69 275)
Net cash from operating activities		71 156	127 177
<b>Cash flows from investing activities</b>			
Purchase of property , plant and equipment		(2 017)	(2 698)
Sale of property, plant and equipment		340	60
Purchase of other intangible assets	4	(273)	(1 244)
Purchase of financial assets		(1 941)	(53 104)
Sale of financial assets		5 970	-
Sale of other asset		-	429 186
Proceeds on disposal of discontinued operations		-	1 317 935
Net cash from investing activities		2 079	1 690 135
<b>Cash flows from financing activities</b>			
Reduction of share capital or buy back of shares		(26 210)	(534 809)
Repayment of other financial liabilities		(35 000)	-
Movement in loans to directors, managers and employees		-	53 830
Proceeds from loans/borrowings		-	32 899
Capital distribution		-	(1 427 822)
Acquisition of shares		(8 053)	(145)
Net cash from financing activities		(69 263)	(1 876 047)
Total cash movement for the year		3 972	(58 735)
Cash at the beginning of the year		30 091	88 826
Effect of exchange rate movement on cash balances		(13)	-
Total cash at end of the year		34 050	30 091

1. Basis of preparation and accounting policies

Statement of compliance

The abridged audited consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as well as the AC 500 standards as issued by the Accounting Practices Board, the requirements of the South African Companies Act, and the Listings Requirements of the JSE. The abridged audited consolidated financial statements do not include all of the information required for full annual financial statements. The abridged audited consolidated financial statements have been prepared in accordance with the historical cost basis, except for certain financial instruments which are stated at fair value. The abridged audited consolidated financial statements are presented in Rand, rounded to the nearest thousand. The accounting policies applied in the presentation of the abridged audited consolidated financial statements are in accordance with International Financial Reporting Standards and are consistent with those presented in the annual financial statements. The abridged audited consolidated financial statements have been extracted from audited information, but have not, in themselves, been audited. The auditor's unqualified audit report and the audited financial statements are available for inspection at the Company's registered office in terms of 3.18 (F) of the Listings Requirements.

These abridged audited consolidated financial statements were prepared under the supervision of the Financial Director, AM Louw. The Board of Directors approved these financial statements on 30 July 2018.

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 abridged audited consolidated 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 in the prior year.

Related party transactions

PBT Group 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.

Subsequent events

There were no material events subsequent to the reporting date except for the Circular released for the disposal of Prescient Capital Pty Ltd and its subsidiaries ('Prescient Capital'). Please refer to note 3 and below for the details of the transaction.

2. Earnings per share

BASIC EARNINGS PER SHARE

The calculation of basic earnings per share at 31 March 2018 was based on the loss attributable to ordinary shareholders of R188.1m (2017: profit R1 198,2m) and a weighted average of ordinary shares outstanding of 1 499 205 494 (2017: 1 619 927 367), calculated as follows:

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

HEADLINE EARNINGS PER SHARE

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

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

R'000

2018	Profit before tax		Non-controlling interests	Earnings attributable to FSP shareholders	Earnings attributable to ordinary shareholders	Cents per share
	Tax					
Continuing operations						
Per the statement of comprehensive income	(117 352)	(22 018)	(6 466)	-	(145 836)	(9.73)
Adjustments						
	125 600	-	-	-	125 600	8.38
Continuing operations headline earnings	8 248	(22 018)	(6 466)	-	(20 236)	(1.35)
Discontinued operation						
Per the statement of comprehensive income	(42 118)	(163)	-	-	(42 281)	(2.82)
Adjustments						
Restatement to fair value of discontinued operation	16 371	-	-	-	16 371	1.09
Impairment loss on goodwill and investment	26 477	-	-	-	26 477	1.77
Change in fair value of investment property	(3 545)	-	-	-	(3 545)	(0.24)
Discontinued operations headline loss	(2 815)	(163)	-	-	(2 978)	(0.20)
Total						
Per the statement of comprehensive income	(159 470)	(22 181)	(6 466)	-	(188 117)	(12.55)
Total Group headline earnings	5 434	(22 181)	(6 466)	-	(23 214)	(1.55)

R'000

2017	Profit before tax		Non-controlling interests	Earnings attributable to FSP shareholders	Earnings attributable to ordinary shareholders	Cents per share
	Tax					
Continuing operations						
Per the statement of comprehensive income	(7 778)	(25 318)	(6 255)	(5 129)	(44 480)	(2.75)
Adjustments						
Impairment loss on goodwill	34 074	-	-	-	34 074	2.10
Change in fair value of investment property	-	-	-	-	-	-
Continuing operations headline earnings	26 296	(25 318)	(6 255)	(5 129)	(10 406)	(0.64)
Discontinued operation						
Per the statement of comprehensive income	1 282 868	(30 242)	3 895	(13 835)	1 242 686	76.71
Adjustments						
Gain on sale of discontinued operations*	(1 150 696)	-	-	-	(1 150 696)	(71.03)
Change in fair value of investment property	(4 179)	-	-	-	(4 179)	(0.26)
Discontinued operations headline gain	127 993	(30 242)	3 895	(13 835)	87 811	5.42
Total						
Per the statement of comprehensive income	1 275 090	(55 560)	(2 360)	(18 964)	1 198 206	73.97
Total Group headline earnings	154 289	(55 560)	(2 360)	(18 964)	77 405	4.78

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

Dividends per share	2018	2017
	Cents	Cents
Interim - declared (2017: 13 December 2016)	-	2.25
Prescient Distribution - declared (2017: 28 October 2016)	-	85.54
Capital distribution (2017: Rnil)	1.57	-

### 3. Discontinued Operations

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

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

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

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

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

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

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

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

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

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

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

Results of discontinued operations	2018 R'000	2017 R'000
Revenue	11 543	349 208
Other income	2 315	13 907
Expenses	(56 302)	(233 957)
Results from operating activities	(42 444)	129 158
Tax	163	(30 242)
Results from operating activities, net of tax	(42 281)	98 916
Gain on sale of discontinued operations*	-	1 153 710
Profit for the year	(42 281)	1 252 626
Earnings per share (cents)	(2.82)	77.33

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

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

Cash flows from/(used in) discontinued operations	2018	2017
Net cash from operating activities	24 816	1 552
Net cash used in investing activities	30 405	(929)
Net cash from financing activities	(54 363)	(8 973)
Net cash flow for the year	858	(6 492)

### Effect of disposal on the financial position of the Group

Equipment	48	123
Investment property	36 428	49 346
Goodwill and intangible assets	-	22 722
Financial assets at fair value through profit or loss	17 777	4 483
Investment in associate	-	289
Trade and other receivables	920	3 149
Long-term loans receivable	288	673

Cash and cash equivalents	1 532	1 449
Deferred tax liability	(303)	(67)
Long-term loans payable	(5 260)	(8 106)
Trade and other payables	(1 009)	(962)
Current tax (payable)/receivable	128	(166)
Net assets and liabilities held-for-sale	50 549	72 933
Consideration received in cash	(4 789)	4 789
Cash and cash equivalents	(1 532)	(1 449)
Net cash inflow/(outflow)	(6 321)	3 340

A deposit of R4.8 million was received from Prescient Capital Proprietary Limited on the 6th October 2017.

#### 4. Goodwill

Cost		
Opening balance - 1 April 2016		406 762
Classified as held for sale		(22 722)
Disposal of discontinued operations		(98 468)
Closing balance - 31 March 2017		285 572
Opening balance - 1 April 2017		285 572
Additions		-
Disposals		-
Closing balance - 31 March 2018		285 572
Accumulated impairment/amortisation		
Opening balance - 1 April 2016		31 143
Impairment loss		31 645
Disposal of discontinued operations		(31 143)
Closing balance - 31 March 2017		31 645
Opening balance - 1 April 2017		31 645
Impairment loss		118 261
Closing balance - 31 March 2018		149 906
Carrying amounts		
At March 2017		253 927
At March 2018		135 666

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

During the 2017 financial year the financial services segment of the business, being Prescient Holdings, delisted from the group, leaving the PBT Group of Companies and Prescient Capital Group of Companies. The PBT Group comprise of information management services. The Prescient Capital Group of Companies are in the process of being disposed of, refer to note 2 for the transaction details.

With the 2012 Goodwill calculation and allocation, the PBT Group of Companies was seen as a separate Cash Generating Unit ("CGU").

In terms of IFRS, the Group performs an annual impairment test on Goodwill based on CGU's. The recoverable amount of each CGU to which Goodwill is allocated has been determined based on the value-in-use calculation which uses cash flow projections on financial forecasts. The discount rate used to calculate the value-in-use figure is 19% (2017: 17%) and their terminal growth rate 3% (2017: 6%).

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

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

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

#### 5. Intangible assets

	Patents and trademarks	Internally developed software	Computer software	System development costs	Other intangible	Total
Cost						
Opening balance - 1 April 2016	2 024	33 020	2 689	7 367	7 339	52 439
Additions	-	485	758	-	-	1 243
Disposal of discontinued operations	(2 024)	-	-	(7 367)	-	(9 391)
Closing balance - 31 March 2017	-	33 505	3 447	-	7 339	44 291
Opening balance - 1 April 2017	-	33 505	3 447	-	7 339	44 291
Additions	-	273	-	-	-	273
Disposals	-	-	-	-	-	-
Closing balance - 31 March 2018	-	33 778	3 447	-	7 339	44 564



Accumulated impairment/amortisation						
Opening balance - 1 April 2016	904	26 588	2 055	550	-	30 097
Amortisation for the year	-	3 308	521	-	-	3 829
Impairment loss	-	2 252	-	-	-	2 252
Disposal of discontinued operations	(904)	-	-	(550)	-	(1 454)
Closing balance - 31 March 2017	-	32 148	2 576	-	-	34 724
Opening balance - 1 April 2017	-	32 148	2 576	-	-	34 724
Amortisation for the year	-	1 194	665	-	-	1 859
Impairment loss	-	-	-	-	7 339	7 339
Other changes, movements	-	(34)	-	-	-	(34)
Closing balance - 31 March 2018	-	33 308	3 242	-	7 339	43 888
Carrying amounts						
At March 2017	-	1 357	870	-	7 339	9 566
At March 2018	-	470	205	-	-	675

#### 6. Trade and other receivables

Trade and other receivables include the following:

	2018	2017
Trade receivables	88 709	129 033
Accrued income	1 078	656
Deposits	1 440	1 408
Prepayments	42	720
Dividend receivable	-	92 397
	91 269	224 214

#### 7. Income tax expense

	2018	2017
Tax recognised in profit or loss		
Current year		
Current year expense	8 431	15 201
Adjustment to prior years	(1 570)	(50)
Securities transfers tax	22	-
Withholding tax - Section 6quat(1C) - prior year	6 826	16 584
Withholding tax - Section 6quat(1C)	8 832	-
	22 541	31 735
Deferred tax expense		
Originating and reversal of temporary differences		
on provision for overtime	85	240
on provision for leave pay	(225)	69
on provision for bonuses	(122)	249
on accrued income	(12)	(15)
on income received in advance	222	(320)
on prepaid expenses	12	118
on tax losses not raised	(483)	(60)
on work in progress	-	(4 452)
on straight lining of leases	-	(37)
on bad debts	-	(1 046)
on deferred revenue	-	(1 163)
	(523)	(6 417)
Income tax expense on continuing operations	22 018	25 318

#### 8. Other financial assets

	2018	2017
Designated at fair value through profit (loss)		
Investments	23 844	22 787

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

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

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

Bonds and unlisted debt	433	722
	24 277	23 509
Loans and receivables		
Other loans and receivables	2 875	7 185
The unsecured loan bears interest at prime and has no fixed terms of repayment.	-	2 216
Share plan loans	-	-
The unsecured loan bears no interest and have been settled in the current financial year.	1 840	1 420
Enterprise development loans		
The unsecured loan bears no interest and has no fixed terms of repayment.	4 715	10 821
	28 992	34 330
Total other financial assets		
Non-current assets		
Designated at fair value through profit (loss)	24 277	23 509

Loans and receivables	1 509	10 821
Total non-current assets	25 786	34 320
Current assets		
Loans and receivables	3 206	-
Total current assets	3 206	-
Total	28 992	34 330

#### 9. Impairment losses

Goodwill	2018 118 261	2017 31 645
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The Group performs an annual impairment test on goodwill based on cash-generating units (CGU). Please see note 3 for details.

Intangible assets	7 339	2 429
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The Group performs impairment tests in relation to intangible assets. The current year impairment relates to the write-off of the purchase price allocation, as management determined that the recoverable amount was less than the carrying amount.

Other financial assets	1 368	-
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Current year impairments relate to the recoverable amount being less than the carrying amount, which was determined by management. Management's key assumptions are based on past experience in the market with reference to cash flow assumptions.

Total impairment losses recognised	126 968	34 074
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#### 10. Comparative figures

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

The effects of the reclassifications are as follows:

Statement of Financial Position		
Provisions	-	(9 422)
Trade and other payables	-	9 422

#### 11. Segment Report

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.

	South Africa		Australia		CONTINUING OPERATIONS Middle-East/Africa		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	410 270	329 141	64 383	78 932	80 958	155 693	483	-	556 094	563 766
Other income	52	589	273	715	2 427	-	1 983	28 434	4 736	29 738
Interest revenue	2 026	827	116	91	1 929	3 980	96	1 389	4 167	6 287
Cost of sales	(305 493)	(248 849)	(55 010)	(54 709)	(97 470)	(144 427)	-	-	(457 973)	(447 985)
Depreciation and amortisation	(1 774)	(1 815)	(516)	-	(3 012)	(2 925)	-	-	(5 302)	(4 740)
Impairments	(75)	(51)	-	-	(1 366)	-	-	-	(1 441)	(51)
Operating expenses	(65 569)	(53 823)	(6 867)	(12 959)	(12 407)	(47 440)	(1 997)	(3 058)	(86 840)	(117 280)
Share of profit/(loss) of equity accounted investments	-	-	-	-	-	-	-	-	-	-
Finance costs	(1 785)	(273)	(5)	(9)	(3 397)	(5 586)	(4)	-	(5 191)	(5 868)
Income tax expense	(7 116)	(6 242)	(681)	(7 845)	(14 039)	(11 057)	(182)	(174)	(22 018)	(25 318)
Profit / (loss) for the year	30 536	19 504	1 693	4 216	(46 377)	(51 762)	380	26 591	(13 768)	(1 450)

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

	GROUP									
	South Africa		Australia		Middle-East/Africa		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	410 270	329 141	64 383	78 932	80 958	155 693	12 025	383 144	567 636	946 910
Other income	52	589	273	715	2 427	-	5 562	1 172 463	8 429	1 173 766
Interest revenue	2 026	827	116	91	1 929	3 980	224	1 620	4 294	6 518
Cost of sales	(305 493)	(248 849)	(55 010)	(54 709)	(97 469)	(144 427)	-	-	(457 973)	(447 985)
Depreciation and amortisation	(1 774)	(1 815)	(516)	-	(3 012)	(2 925)	(52)	(5 725)	(5 354)	(10 465)
Impairments	(75)	(51)	-	-	(1 366)	-	(14 287)	-	(15 728)	(51)
Operating expenses	(65 569)	(53 823)	(6 867)	(12 959)	(12 407)	(47 440)	(21 606)	(233 767)	(106 460)	(347 984)
Share of profit/(loss) of equity accounted investments	-	-	-	-	-	-	-	(759)	-	(759)
Finance costs	(1 785)	(273)	(5)	(9)	(3 397)	(5 586)	(1 140)	(7 346)	(6 327)	(13 215)
Income tax expense	(7 116)	(6 242)	(681)	(7 845)	(14 039)	(11 057)	(20)	(30 416)	(21 856)	(55 560)
Profit / (loss) for the year	30 536	19 504	1 693	4 216	(46 377)	(51 762)	(19 179)	1 279 218	(33 443)	1 251 176

	CONTINUING OPERATIONS									
	South Africa		Australia		Middle-East/Africa		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Segment assets *	90 013	86 682	20 283	28 862	25 850	91 149	28 305	124 953	164 450	325 727
Intangible assets	479	1 357	-	-	196	-	-	8 209	675	9 566
Investment in equity-accounted investees	-	-	-	-	-	-	-	-	-	-
Total assets	90 492	88 039	20 283	28 862	26 046	91 149	28 305	133 163	165 125	341 213
Segment liabilities	(27 633)	(20 475)	(4 748)	(10 135)	(7 424)	(62 593)	(4 948)	(2 257)	(44 754)	(95 461)
Total liabilities	(27 633)	(20 475)	(4 748)	(10 135)	(7 424)	(62 593)	(4 948)	(2 257)	(44 754)	(95 461)

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

	GROUP									
	South Africa		Australia		Middle-East/Africa		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Segment assets *	90 013	86 682	20 283	28 862	25 850	91 149	85 425	184 009	221 571	390 703
Intangible assets	479	1 357	-	-	196	-	-	8 209	675	9 566
Investment in equity-accounted investees	-	-	-	-	-	-	-	289	-	289
Total assets	90 492	88 039	20 283	28 862	26 046	91 149	85 425	192 508	222 246	400 558
Segment liabilities	(27 633)	(20 475)	(4 748)	(10 135)	(7 424)	(62 593)	(11 521)	(11 558)	(51 326)	(104 762)
Total liabilities	(27 633)	(20 475)	(4 748)	(10 135)	(7 424)	(62 593)	(11 521)	(11 558)	(51 326)	(104 762)

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

	2018	2017
	R'000	R'000
Reconciliation of reportable segment revenue		
Total consolidated income for reportable segments	567 636	946 910
Elimination of discontinued operations	(11 543)	(383 144)
Consolidated total income	556 094	563 766

Profit before tax		
Total consolidated profit before tax for reportable segments	(11 472)	1 306 736
Less impairment of goodwill	(125 600)	(31 645)
Elimination of discontinued operations	19 720	(1 282 868)
Consolidated profit before tax	(117 352)	(7 778)

Assets		
Total assets for reportable segments	136 821	208 050
Goodwill	135 666	253 928
Assets for other segments	85 425	192 219
Equity accounted investees	-	289
Elimination of discontinued operations	(57 121)	(59 345)
Consolidated total assets	300 791	595 142

Liabilities		
Total liabilities for reportable segments	(39 806)	(93 204)
Liabilities for other segments	(11 521)	(11 558)
Other unallocated amounts	-	-
Elimination of discontinued operations	6 572	9 301
Consolidated total liabilities	(44 754)	(95 461)

#### Company Information

Directors: PJ de Wet (CEO)

AM Louw (Financial Director)  
AJ Taylor (Independent Non-Executive Chairman)  
AL Winkler (Independent Non-Executive Director)  
CL Dyers (Independent Non-Executive Director)  
HC Steyn (Non-Executive Director)  
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Registered office:

Postal address:

Registration number:

Auditors

Sponsor

Transfer secretaries:

JSE share code:

ISIN:

Website:

Cape Town

30 July 2018

Sponsor: Bridge Capital Advisors Proprietary Limited