

PSG KONSULT TREASURY LIMITED
Registration number : 2014/196582/06

ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2018

PSG KONSULT TREASURY LIMITED

ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2018

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PSG KONSULT TREASURY LIMITED**ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018****Company information**

Country of incorporation	South Africa
Date of incorporation	1 October 2014
Registration number	2014/196582/07
Registered address	4th Floor, The Edge 3 Howick Close Tyger Waterfront Bellville 7530
Postal address	PO Box 3335 Tyger Valley 7536
Directors	MIF Smith JSE van der Merwe (resigned 17 May 2017) NM Gudka (resigned 17 May 2017) W Theron (appointed 17 May 2017) FJ Gouws (appointed 17 May 2017)
Secretary	PSG Management Services Proprietary Limited
Bankers	ABSA Bank Limited Nedbank Limited
Auditors	PricewaterhouseCoopers Inc Cape Town
Attorneys	Cliffe Dekker Hofmeyr Inc.
Nature of operations	General treasury functions to the PSG Konsult Group
Shareholder	PSG Konsult Limited
Ultimate holding company	PSG Group Limited
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa
Preparer	The preparation of the annual financial statements was supervised by: GC Krüger CA (SA)

PSG KONSULT TREASURY LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITY
for the year ended 28 February 2018**

The directors are required in terms of the Companies Act No. 71 of 2008, as amended (Companies Act) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) 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 company and places considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 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 company's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The company's external auditors, PricewaterhouseCoopers Incorporated, audited the financial statements and their report is presented on pages 10 - 12.

The financial statements, set out on pages 13 - 32, which have been prepared on the going concern basis, were approved by the directors on 16 May 2018 and were signed on its behalf by:



FJ Gouws
Director



MIF Smith
Director

PSG KONSULT TREASURY LIMITED

**CERTIFICATE BY THE COMPANY SECRETARY
for the year ended 28 February 2018**

I hereby certify, in terms of section 88(2)(e) of the Companies Act, that to the best of my knowledge, for the year ended 28 February 2018, the company has lodged with the Registrar of Companies all such returns and notices as required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.



S Hamit (on behalf of PSG Management Services Proprietary Limited)
Company secretary

16 May 2018

PSG KONSULT TREASURY LIMITED**REPORT OF THE BOARD OF DIRECTORS
for the year ended 28 February 2018**

The directors present their report for the year ended 28 February 2018.

1. General review

The company carries out the business of finance and financing related activities.

2. Financial results

The operating results and the state of affairs of the company are fully set out in the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto.

3. Corporate transactions

The company established a R3.0 billion Domestic Medium Term Note (DMTN) programme during the current financial year, and concluded its maiden listing on the JSE's Interest Rate Market of a three-year R100.0 million senior unsecured floating rate note on 12 July 2017, at competitive rates.

4. Corporate governance

PSG Konsult Treasury Limited has adopted a board charter in line with the King IV Report on Corporate Governance™ for South Africa, 2016 principles and JSE Listings Requirements pertaining to debt issuers. The King IV™ application register is available on the PSG Konsult Limited website (www.psq.co.za).

5. Dividends

No dividends were declared during the year under review.

6. Share capital

Details of the share capital of the company appear in the notes to the financial statements. The authorised share capital consists of 1000 ordinary shares with no par value of R1. No shares were issued in the current financial year (2017: nil).

7. Events after the reporting date

There have been no facts or circumstances of a material nature that have occurred between 28 February 2018 and the date of approval of the financial statements.

8. Holding company

The company's holding company is PSG Konsult Limited (incorporated in South Africa and listed on the Johannesburg Stock Exchange). Its ultimate holding company is PSG Group Limited (incorporated in South Africa and listed on the Johannesburg Stock Exchange).

9. Directors

The directors of the company at the date of this report appear on page 2.

PSG KONSULT TREASURY LIMITED**REPORT OF THE BOARD OF DIRECTORS
for the year ended 28 February 2018**

10. Secretary

The secretary of the company is PSG Management Services Proprietary Limited, whose business and postal addresses are:

Business address:

4th Floor, The Edge
3 Howick Close
Tyger Waterfront
Bellville
7530

Postal address:

P O Box 3335
Tyger Valley
7536

11. Independent Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies, Act No. 71 of 2008 as amended.

PSG KONSULT TREASURY LIMITED

REPORT OF THE AUDIT COMMITTEE for the year ended 28 February 2018

The committee is pleased to present its report for the financial year ended 28 February 2018.

The audit committee of PSG Konsult Limited (PSG Konsult), the company's holding company, acts as the audit committee for the company. The PSG Konsult audit committee is an independent statutory committee appointed by the shareholders.

The committee is responsible for ensuring the integrity of integrated reporting and reviewing the effectiveness of the financial reporting process, the system of internal control and management of financial risks, the assurance process, and the company's process for monitoring compliance with laws and regulations and its own code of business conduct. The committee recommends the annual financial statements for approval to the board and is responsible for monitoring, engaging with, and determining the remuneration of the external auditor.

COMPOSITION AND MEETING PROCEEDINGS

At 28 February 2018, the PSG Konsult audit committee consisted of 4 non-executive directors who act independently as described in Section 94 of the Companies Act.

For the financial year ended 28 February 2018, the members of the PSG Konsult audit committee were:

Membership and attendance	12 April 2017	4 October 2017
J de V Du Toit	✓	✓
PE Burton	✓	✓
ZL Combi	✓	✓
ZRP Matsau	N/A	✓

✓ Present

N/A The director was only appointed to the PSG Konsult audit committee on 20 July 2017.

The committee met twice in the financial year under review and had full attendance. Ad hoc meetings are held as required. At the meetings, the members fulfilled all their functions as prescribed by the Companies Act, as well as those additional functions as determined by the board.

DUTIES

In execution of its statutory duties during the past financial year, the PSG Konsult audit committee has reviewed the annual financial statements, culminating in a recommendation to the board.

In the course of its review the committee:

- takes appropriate steps to ensure that the financial statements are prepared in accordance with IFRS;
- considers and, when appropriate, makes recommendations on internal financial controls;
- deals with concerns or complaints relating to:
 - accounting policies,
 - the auditing or content of annual financial statements, and
 - internal financial controls;
- reviews the external audit report on the annual financial statements;
- reviews the risk management reports and, where relevant, makes recommendations to the board;
- evaluates the effectiveness of risk management, controls and the governance processes;
- verifies the independence of the external auditor and of any nominee for appointment as the designated auditor;

PSG KONSULT TREASURY LIMITED**REPORT OF THE AUDIT COMMITTEE
for the year ended 28 February 2018**

DUTIES (continued)

- approves the audit fees and engagement terms of the external auditor; and
- determines the nature and extent of allowable non-audit services and approves the contract terms for the provision of non-audit services by the external auditor.

LEGAL REQUIREMENTS

The PSG Konsult audit committee has complied with all applicable legal, regulatory and other responsibilities for the financial year.

EXTERNAL AUDITOR

The board sets a policy that governs the level and nature of non-audit services, which requires pre-approval by the audit committee for all non-audit services. In determining the independence of the external auditors, the committee considers the level and types of non-audit services provided as well as other enquiries and representations. The prospect of mandatory audit firm rotation was also considered by the committee during the current financial year. As required by the Companies Act, the committee has satisfied itself that PSG Konsult Treasury Limited's external auditor, PricewaterhouseCoopers Inc., was independent of the company, as set out in sections 90(2)(c) and 94(8) of the Companies Act and is thereby able to conduct their audit functions without any undue influence from the company.

The committee has considered the relevant audit quality indicators, including the audit firm's system of quality control. It noted that PricewaterhouseCoopers Inc. was subject to a review of its quality control practices in terms of International Standard on Quality Control by the IRBA. No legal or disciplinary proceedings have been concluded against the firm in the past seven years. The committee was satisfied with the quality of the audit concluded and has nominated, for re-appointment at the annual general meeting, PricewaterhouseCoopers Inc. as the external auditor of PSG Konsult Treasury Limited for the financial year ending 28 February 2019 and Mr DG Malan as the designated individual registered auditor who will undertake the audit of PSG Konsult Treasury on behalf of PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc., being the audit firm, as well as Mr DG Malan, being PSG Konsult Treasury's individual auditor for the 2018 financial year, have been accredited on the JSE list of auditors in terms of the criteria in the JSE Listings Requirements. As required by section 7.10(b) of the JSE Debt Listings Requirements, the committee has satisfied itself that PricewaterhouseCoopers Inc. and Mr DG Malan are suitable for reappointment as audit firm and individual auditor, respectively, by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements.

FINANCIAL FUNCTION

In terms of the JSE Listings Requirements, the audit committee performs an annual evaluation of the financial reporting function in PSG Konsult Treasury Limited. The PSG Konsult audit committee was satisfied that the financial reporting function had appropriate resources, skills, expertise and experience.

INTERNAL FINANCIAL CONTROLS

The PSG Konsult audit committee evaluated the company's internal financial controls and based on the information and explanations given by management and the PSG Konsult group internal audit function, as well as discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal financial controls during the financial year under review.

PSG KONSULT TREASURY LIMITED**REPORT OF THE AUDIT COMMITTEE
for the year ended 28 February 2018****GOVERNANCE OF RISK**

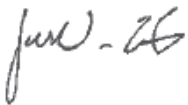
The board has assigned oversight of the company's risk management function to the PSG Konsult risk committee. The chairman of the PSG Konsult risk committee is a member of the PSG Konsult audit committee and likewise, the chairman of the PSG Konsult audit committee is a member of the PSG Konsult risk committee to ensure that information relevant to these committees is transferred effectively. The PSG Konsult audit committee oversees financial reporting risks, internal financial controls, fraud and IT risks as these relate to financial reporting.

GOING CONCERN

The PSG Konsult audit committee reviewed a documented assessment prepared by management, including key assumptions, of the going concern status of the company and made a recommendation to the board in accordance with this assessment.

FINANCIAL STATEMENTS

The PSG Konsult audit committee has evaluated the financial statements of the company for the year ended 28 February 2018 and, based on the information provided to the committee, considers that the company complies, in all material respects, with the requirements of the Companies Act, as amended, and IFRS.

**J de V du Toit***Chairman of the PSG Konsult audit committee*

16 May 2018



Independent auditor's report

To the Shareholder of PSG Konsult Treasury Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PSG Konsult Treasury Limited (the Company) as at 28 February 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

PSG Konsult Treasury Limited's financial statements set out on pages 13 to 32 comprise:

- the statement of financial position as at 28 February 2018;
 - the statement of comprehensive income for the year then ended;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.
-

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 financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

PricewaterhouseCoopers Inc.,
5 Silo Square, V&A Waterfront, Cape Town 8002, P O Box 2799, Cape Town 8000
T: +27 (0) 21 529 2000, F: +27 (0) 21 529 3300, www.pwc.co.za

Chief Executive Officer: T D Shango
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682



Other information

The directors are responsible for the other information. The other information comprises the information included in the PSG Konsult Treasury Limited Financial Statements for the year ended 28 February 2018, which includes the Report of the Board of Directors, the Report of the Audit Committee and the Certificate by the Company Secretary as required by the Companies Act of South Africa. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 financial statements

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 PricewaterhouseCoopers Inc. has been the auditor of PSG Konsult Treasury Limited for 4 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: DG Malan

Registered Auditor

Cape Town

16 May 2018

PSG KONSULT TREASURY LIMITED

STATEMENT OF FINANCIAL POSITION
as at 28 February 2018

	Notes	2018 R	2017 R
Assets			
Deferred income tax	1	17 764	16 918
Current income tax assets		538	-
Loans and advances	2	153 549 217	113 317 255
Receivables	3	3 499	-
Cash and cash equivalents	4	1 484 247	27 330
Total assets		155 055 265	113 361 503
Capital and reserves attributable to the company's equity holders			
Share capital	5	100	100
Retained earnings		658 512	338 949
<i>Total equity</i>		658 612	339 049
Liabilities			
Borrowings	6	154 322 280	112 951 102
Trade and other payables	7	74 373	71 352
<i>Total liabilities</i>		154 396 653	113 022 454
Total equity and liabilities		155 055 265	113 361 503

PSG KONSULT TREASURY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2018

	Notes	2018 R	2017 R
Income			
Investment income	8	13 063 056	7 490 945
Total income		13 063 056	7 490 945
Expenses			
Marketing, administration and other expenses	9	(230 113)	(202 169)
Results of operating activities		12 832 943	7 288 776
Finance costs	10	(12 382 596)	(6 955 919)
Profit before taxation		450 347	332 857
Taxation	11	(130 785)	(93 296)
Profit for the year		319 562	239 561
Total comprehensive income for the year		319 562	239 561
Attributable to owners of the parent		319 562	239 561

PSG KONSULT TREASURY LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2018

	Share capital R	Retained earnings R	Total R
Balance at 1 March 2016	100	99 389	99 489
Total comprehensive income	-	239 561	239 561
Balance at 28 February 2017	100	338 950	339 050
Total comprehensive income	-	319 562	319 562
Balance at 28 February 2018	100	658 512	658 612

PSG KONSULT TREASURY LIMITED

STATEMENT OF CASH FLOWS
for the year ended 28 February 2018

	Notes	2018 R	2017 R
Cash flow from operating activities			
Cash utilised in operations	15.1	(100 315 886)	(779 432)
Investment income		13 059 557	7 490 945
Finance costs		(11 154 585)	(6 955 919)
Taxation paid	15.2	(132 169)	(96 184)
Net cash flow from operating activities		(98 543 083)	(340 590)
Cash flow from financing activities			
Advance of borrowings	6	100 000 000	-
Net cash flow from financing activities		100 000 000	-
Net movement in cash and cash equivalents		1 456 917	(340 590)
Cash and cash equivalents at beginning of the year		27 330	367 920
Cash and cash equivalents at end of the year	15.3	1 484 247	27 330

PSG KONSULT TREASURY LIMITED
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 28 February 2018**

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

BASIS OF PREPARATION

The annual financial statements of PSG Konsult Treasury Limited have been prepared in accordance with the JSE Listing Requirements and the requirements of the Companies Act. The JSE Listings Requirements require annual financial statements to be prepared in accordance with the framework concepts and the recognition and measurement requirements of IFRS, as defined by IAS 1; the IFRIC interpretations; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council, and the manner required by the Companies Act. The financial statements have been prepared under the historical cost convention.

The preparation of annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further below.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE EFFECTIVE FOR THE FIRST TIME IN 2018
New and amended standards, interpretations and amendments adopted by the company

The following new standards, interpretations or amendments, which are relevant to the company's operations, became effective during the year:

- Amendment to IAS 7 Statement of cash flows – Disclosure initiative (effective 1 January 2017)

The amendment introduces additional disclosure that will assist users of financial statements to evaluate changes in liabilities arising from financing activities, including whether the changes are from cash flows or non-cash items.

The adoption of this standard had no material impact on measurements of assets and liabilities in the current or prior financial year.

The amendment to IAS 7 required additional disclosure in the notes to the financial statements, refer to note 6.

New and amended standards, interpretations and amendments not currently relevant to the company's operations

The following new standards, interpretations and amendments, which are not currently relevant to the group's operations, had no impact on the measurement of amounts or disclosures in the current or prior financial years:

- Amendment to IAS 12 Income taxes – Recognition of deferred tax assets for unrealised losses
- Annual improvements 2014-16 cycle (effective 1 January 2017):

IFRS 12 Disclosure of interests in other entities

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

The following new standards, interpretations and amendments, which are relevant to the company's operations, have been published and are mandatory for the company's accounting periods beginning on or after 1 March 2018 or later periods and have not been early adopted by the company:

Standard	Impact of standard
IFRS 9 Financial instruments (effective 1 January 2018)	<p>This new standard represents a package of reform to financial instrument accounting to replace IAS 39 Financial instruments.</p> <p>In assessing the impact of the implementation of IFRS 9, the following was taken into consideration:</p> <p><u>Classification and measurement – Financial assets</u></p> <p>The impact on the classification and measurement of financial assets will be as follows for the company:</p> <ul style="list-style-type: none"> - Loans and receivables that are classified as loans and receivables and measured at amortised cost under IAS 39 will also be measured at amortised cost under IFRS 9. <p><u>Impairment</u></p> <p>IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. The new impairment model will apply to the loans and advances.</p> <p>IFRS 9 requires a loss allowance to be recognised at an amount equal to either 12-month ECLs or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.</p> <p>The impairment requirements of IFRS 9 are complex and require management judgements, estimates and assumptions, particular in the following areas:</p> <ul style="list-style-type: none"> - assessing whether the credit risk of an instrument has increased significantly since initial recognition; and - incorporating forward-looking information into the measurement of ECLs. <p>The impact on loans and advances is not expected to be material, but will only be confirmed once the final assessment is concluded.</p> <p><u>Classification and measurement – Financial liabilities</u></p> <p>IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. No impact is therefore expected for the company.</p> <p><u>Hedge accounting</u></p> <p>This is currently not relevant to the company as we do not apply hedge accounting. The impact of hedging will therefore only be assessed when required.</p> <p><u>Derecognition</u></p> <p>IFRS 9 incorporates the requirements of IAS 39 for the derecognition of financial assets and liabilities without substantive amendments. The company is therefore not expecting the adoption of these requirements to have a material impact.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE (continued)

Standard	Impact of standard
IFRS 15 Revenue from contracts with customers (effective 1 January 2018)	<p>This new standard provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.</p> <p>Based on the assessments performed, the adoption of IFRS 15 will not have a material impact on the company. However, some additional disclosure will be required.</p>

FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position include loans and advances, receivables, cash and cash equivalents, trade and other payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

FINANCIAL ASSETS

The company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the company intends to sell in the short term. Loans and receivables are carried at amortised cost using the effective-interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset, to the net carrying amount of the financial asset. The company's loans and receivables comprise of loans and advances, receivables and cash and cash equivalents in the statement of financial position.

Recognition and measurement of financial assets

Purchases and sales of financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset. Loans and receivables, are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Loans and receivables are derecognised when the rights to receive cash flows from the loans and receivables have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and advances are considered impaired if, and only if, there is objective evidence of impairment as a result of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets' estimated future cash flows that can be reliably measured. Objective evidence that loans and advances may be impaired, includes breach of contract, such as a default or delinquency in interest or principal payments. In this regard instalments past due date are considered in breach of contract. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment losses are recognised in profit or loss, and reversed through profit or loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

Impairment of financial assets (continued)

Receivables are considered impaired when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The movement in the amount of the provision is recognised in profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, other deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Financial liabilities include borrowings, and trade and other payables.

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the raising of the funds, for all financial liabilities carried at amortised cost.

Financial liabilities held at amortised cost are recognised initially at fair value and are subsequently stated at amortised cost using the effective interest rate method. Any differences (other than transaction charges) between net proceeds and the redemption value are recognised in profit or loss over the period of the borrowing using the effective interest rate method.

These financial liabilities are classified as current liabilities if they are either held for trading or expected to be settled within twelve months of the reporting date.

Financial liabilities, or a portion thereof, are derecognised when the obligation specified in the contract is discharged, cancelled or expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and settlement amounts paid are included in profit or loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss, within finance costs, over the period of the borrowings using the effective interest rate method.

Trade and other payables

Trade and other payables are recognised when the company has a present obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits from the company. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

PSG KONSULT TREASURY LIMITED**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**
for the year ended 28 February 2018

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss.

The current income tax charge is calculated on the basis as set out in the South African Income Tax Act, No. 58 of 1962 (Income Tax Act).

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for services in the ordinary course of the company's activities. Revenue is shown net of value added tax. Revenue is recognised as follows:

Investment income***Interest income***

Interest income is recognised using the effective interest rate method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding discount as interest income.

SEGMENT REPORTING

An operating segment is a component of the group engaged in business activities, whose operating results are reviewed regularly by management in order to make decisions about resources allocated to segments and assessing segment performance.

The chief operating decision maker, responsible for allocating resources and assessing performance of the operating segments, are the executive management committee that makes strategic decisions.

Decision making in relation to resource allocation or performance evaluation is performed at Company level. PSG Konsult Treasury Limited operates its business within the Republic of South Africa and deems all revenue and expenses to be subject to the economic conditions.

The company has therefore assessed to have one reportable segment as reported on its annual financial statements.

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

FINANCIAL RISK MANAGEMENT
Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out under policies approved by the board of directors. The management of PSG Konsult Treasury Limited identifies, evaluates and mitigates financial risks. The board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

Financial instruments are grouped into the following classes in order to facilitate effective financial risk management and disclosure in terms of IFRS 7 Financial Instruments: Disclosures and IFRS 13 Fair Value Measurement.

	2018 R	2017 R
ASSETS		
Financial assets carried at amortised cost		
<i>Loans and receivables</i>		
Loans and advances	153 549 217	113 317 255
Receivables	3 499	-
Cash and cash equivalents	1 484 247	27 330
Total financial assets	155 036 963	113 344 585
	2018 R	2017 R
LIABILITIES		
Financial liabilities carried at amortised cost		
Borrowings	154 322 280	112 951 102
Trade and other payables	74 373	71 352
Total financial liabilities	154 396 653	113 022 454

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

FINANCIAL RISK MANAGEMENT (continued)**Market risk**

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

Cash flow interest rate risk

The company's interest rate risk arises from interest-bearing loans and advances, cash and borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk.

	2018 R	2017 R
Loans and advances		
Floating rate	153 549 217	113 317 255
Receivables		
Interest free	3 499	-
Cash and cash equivalents		
Floating rate	1 484 247	27 330
Borrowings		
Floating rate	(154 322 280)	(112 951 102)
Trade and other payables		
Interest free	(74 373)	(71 352)
Total		
Floating rate	711 184	393 483
Interest free	(70 874)	(71 352)
	640 310	322 131

Based on simulations performed, the impact on post-tax profit of a 1% shift in interest rates is analysed in the following table:

	2018 1% increase R	2018 1% decrease R	2017 1% increase R	2017 1% decrease R
Impact on post-tax profit	5 121	(5 121)	2 833	(2 833)

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

FINANCIAL RISK MANAGEMENT (continued)**Market risk (continued)****Credit risk**

Credit risk arises from cash and cash equivalents and loans and advances. Counterparties and cash transactions are limited to high-credit-quality financial institutions. In the case of loans and advances, management would take or insist on collateral or other form of securitisation as they deem fit.

The table below shows the company's maximum exposure to credit risk by class of asset:

	2018		2017	
	Balance	Collateral fair value	Balance	Collateral fair value
	R	R	R	R
Loans and advances	153 549 217	-	113 317 255	-
Receivables	3 499	-	-	-
Cash and cash equivalents	1 484 247	-	27 330	-
	155 036 963	-	113 344 585	-

Loans and advances are tested for impairment and receivables are monitored on a monthly basis. As 28 February 2018 no receivables and loans and advances were found to be impaired and accordingly no impairment was raised.

Financial assets are assessed based on their credit ratings as published by Moody's. Financial assets which fall outside this range are classified as not rated. Credit limits, for each counterparty, are set based on default probabilities that are in turn based on the ratings of the counterparty concerned.

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Trade receivables	Loans and advances	Cash and cash equivalents	Total
	R	R	R	R
28 February 2018				
P1	3 499	-	1 484 247	1 487 746
Other non-rated assets	-	153 549 217	-	153 549 217
	3 499	153 549 217	1 484 247	155 036 963
28 February 2017				
P1	-	-	27 330	27 330
Other non-rated assets	-	113 317 255	-	113 317 255
	-	113 317 255	27 330	113 344 585

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

FINANCIAL RISK MANAGEMENT (continued)**Market risk (continued)****Credit risk (continued)**

Non-rated financial assets relating to the company consist of related party loans and advances.

Loans and advances consist of loans to related parties. These amounts are payable on demand. Amounts due from related companies are monitored by the company to ensure that adequate income is generated by the related company to repay the loan when required.

The classes of financial assets do not contain assets that are past due but not impaired for either of the financial years.

Concentration

Some concentration of credit risk towards certain counterparties within cash and cash equivalents exists. Included in the balance is R956 602 held with ABSA Bank Limited (2017: R27 330) and R527 645 held with Investec Bank Limited (2017: Rnil).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, it aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Carrying value R	Less than 1 year R	Between 1 and 5 years R	Over 5 years R
28 February 2018				
Borrowings	154 322 280	62 443 147	114 015 845	-
Trade and other payables	74 373	74 373	-	-
	154 396 653	62 517 520	114 015 845	-
28 February 2017				
Borrowings	112 951 102	112 951 102	-	-
Trade and other payables	71 352	71 352	-	-
	113 022 454	113 022 454	-	-

An undrawn short-term overdraft facility of R50 million is available to the company.

PSG KONSULT TREASURY LIMITED**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018**

CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide adequate returns for shareholders.

Ensuring that the company operates at the optimal cost of capital is therefore a focus point for management and will be considered in decisions relating to dividend declarations, issue of debt or equity instruments or the buying and selling of assets and liabilities.

When funding is required, management will consider the various forms of paper available for issue, taking into account current market conditions, anticipated trends in market indicators and the financial position of the company at the time. The company currently has a R3.0 billion approved DMTN programme, of which it has only utilised R100.0 million at 28 February 2018.

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018**1. DEFERRED INCOME TAX**

	2018 R	2017 R
Deferred income tax assets	17 764	16 918
To be recovered within 12 months	17 764	16 918
To be recovered after more than 12 months	-	-
	17 764	16 918

The movement in the deferred income tax during the period is as follows:

	Accruals not currently deductible	Total
Deferred income tax assets		
At 1 March 2016	16 918	16 918
Credited to the statement of comprehensive income	-	-
At 28 February 2017	16 918	16 918
Charged to the statement of comprehensive income	846	846
At 28 February 2018	17 764	17 764

The deferred income tax assets were calculated on all temporary differences under the liability method using the effective tax rate of 28%.

2. LOANS AND ADVANCES

	2018 R	2017 R
Loans to related parties (refer to note 13)	153 549 217	113 317 255
Current portion	153 549 217	113 317 255
Non-current portion	-	-
	153 549 217	113 317 255

The loans to related parties are unsecured, bear variable interest at an effective interest rate range of between 8.25% and 10.5% and are repayable on demand. The loan balances were assessed by management to determine whether there is any indication in the financial or other circumstances of the related parties that would prevent them from repaying the specific loan. No such indicators were identified.

3. RECEIVABLES

Interest receivable	3 499	-
Current portion	3 499	-
Non-current portion	-	-
	3 499	-

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

	2018 R	2017 R
4. CASH AND CASH EQUIVALENTS		
Cash at bank	956 602	27 330
Short-term deposits	527 645	-
	1 484 247	27 330

The effective interest rate on cash and cash equivalents was 6.90% (2017: 6.14%).

5. SHARE CAPITAL**Authorised**

1000 shares with no par value

1 000 **1 000**

Issued

100 shares with no par value

100 **100**

	Number of shares	Ordinary shares R	Total R
At 1 March 2016	100	100	100
At 28 February 2017	100	100	100
At 28 February 2018	100	100	100

All shares issued by the company were fully paid. The unissued shares in the company are placed under the control of the directors until the next annual general meeting.

	2018 R	2017 R
6. BORROWINGS		
Domestic medium term note programme (i)	101 228 011	-
Loan from related party (ii) (refer to note 13)	53 094 269	112 951 102
	154 322 280	112 951 102
Current portion	54 322 280	112 951 102
Non-current portion	100 000 000	-
	154 322 280	112 951 102

(i) PSG Konsult Treasury Limited established a R3 billion DMTN programme during the 2018 financial year. The maiden note issued of R100 million was fully subscribed to by ABSA Alternative Asset Management Proprietary Limited. The note has a three year term with a floating interest rate of the three month JIBAR plus a margin of 2.18%. The capital is repayable on 12 July 2020. PSG Konsult Limited provided an irrevocable, unconditional guarantee for all the obligations and liabilities of PSG Konsult Treasury Limited to and in favour of the noteholders of the notes issued.

(ii) The loan from related party is unsecured, bears variable interest at an effective interest rate range of 8.25% and 8.50% and is repayable on demand.

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

6. BORROWINGS (CONTINUED)

Reconciliation of movement in liabilities to the statement of cash flows	DMTN programme R	Loans from related party R	Total R
Carrying value at 1 March 2017	-	112 951 102	112 951 102
Cash flows – advance of borrowings	100 000 000	8 708 167	108 708 167
Cash flows – repayment of borrowings ¹	(4 718 214)	(68 565 000)	(73 283 214)
Other non-cash movements	5 946 225	-	5 946 225
Carrying value at 28 February 2018	101 228 011	53 094 269	154 322 280
Cash flows relating to financing activities	100 000 000	-	100 000 000
Cash flows relating to operating activities and non-cash movements	1 228 011	(59 856 833)	(58 628 822)
	101 228 011	(59 856 833)	41 371 178

¹ Includes both the capital repaid as well as the interest payments.

7. TRADE AND OTHER PAYABLES

	2018 R	2017 R
Accrual for audit fees	74 373	71 352

The trade and other payables are expected to be settled within twelve months. The carrying amount of trade and other payables approximates their fair value.

8. INVESTMENT INCOME**Interest income**

Cash and cash equivalents	645 361	2 290
Interest received from related parties (refer to note 13)	12 417 695	7 488 655
	13 063 056	7 490 945

9. MARKETING, ADMINISTRATION AND OTHER EXPENSES*Expenses by nature:*

Audit fees	63 441	60 420
Bank charges	149 586	141 749
Listing fees	17 086	-
	230 113	202 169

10. FINANCE COSTS

Interest paid to financial institutions	-	66 298
Interest paid to DMTN noteholders	5 946 225	-
Interest paid to related party (refer to note 13)	6 436 371	6 889 621
	12 382 596	6 955 919

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018**11. TAXATION**

	2018 R	2017 R
Normal taxation	131 631	93 296
Deferred taxation	(846)	-
	130 785	93 296
Reconciliation of rate of taxation	%	%
South African normal tax rate	28.00	28.00
Adjusted for:		
Non-deductible charges	1.06	-
Prior period adjustments	(0.02)	0.03
Effective rate of taxation	29.04	28.03

12. BORROWING POWERS

In terms of the company's articles of association, borrowing powers are unlimited. Details of actual borrowings are disclosed in note 6 to the financial statements.

13. RELATED PARTY TRANSACTIONS

The company's shareholders are related parties of the company. PSG Konsult Limited owns 100% of the company's shares. The related party transactions are executed on terms no less favorable than those arranged with third parties.

	2018 R	2017 R
Related party balances:		
<i>Included in loans and advances (refer to note 2)</i>		
PSG Life Limited	33 791 787	28 317 255
PSG Scriptfin Proprietary Limited	119 757 430	85 000 000
	153 549 217	113 317 255
<i>Included in borrowings (refer note 6)</i>		
PSG Konsult Limited	53 094 269	112 951 102
Related party transactions:		
<i>Included in investment income (refer to note 8)</i>		
PSG Life Limited	3 303 850	2 805 167
PSG Scriptfin Proprietary Limited	9 113 845	4 683 488
	12 417 695	7 488 655
<i>Included in finance costs (refer to note 10)</i>		
PSG Konsult Limited	6 436 371	6 889 621

14. DIRECTORS' REMUNERATION

The directors' remuneration is set out in Annexure A.

PSG KONSULT TREASURY LIMITED

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 28 February 2018

	2018 R	2017 R
15. NOTES TO THE STATEMENT OF CASH FLOWS		
15.1 Cash utilised in operations		
Results of operating activities	12 832 943	7 288 776
<i>Adjustment for:</i>		
Investment income	(13 063 056)	(7 490 945)
	(230 113)	(202 169)
Changes in working capital		
Receivables	-	-
Loans and advances	(40 231 961)	(34 348 667)
Trade and other payables	3 021	10 932
Borrowings	(59 856 833)	33 760 472
	(100 085 773)	(577 263)
Cash utilised in operations	(100 315 886)	(779 432)
 PSG Konsult Treasury has chosen to present changes in loans and advances and borrowings as operating cash flows as the cash effects of these movements relate to the entity's principal revenue-producing activities.		
15.2 Taxation paid		
Charged to the statement of comprehensive income	(130 785)	(93 296)
Deferred tax movement	(846)	-
Movement in net taxation liability	(538)	(2 888)
	(132 169)	(96 184)
15.3 Cash and cash equivalents at end of the year		
Cash and cash equivalents	1 484 247	27 330

16. EVENTS AFTER THE REPORTING DATE

There have been no facts or circumstances of a material nature that have occurred between 28 February 2018 and the date of approval of the financial statements.

PSG KONSULT TREASURY LIMITED

ANNEXURE A - DIRECTORS REMUNERATION
for the year ended 28 February 2018

The following directors' remuneration were accrued by the company for the year ended 28 February 2018:

Cash-based remuneration

Executive directors

	Directors' fees R000	Basic salary R000	Bonuses and performance - related payments R000	Expense allowances R000	Company contributions R000	LTI R000	Total 2018 R000
Audited							
Executive							
FJ Gouws ^{1,2}	155	4 800	18 800	-	72	38 531	62 358
MIF Smith ³	-	2 304	7 000	96	37	2 833	12 270
JSE van der Merwe ⁵	-	255	-	-	4	-	259
NM Gudka ⁵	-	600	-	-	6	-	606
	155	7 959	25 800	96	119	41 364	75 493
Non-executive							
W Theron ⁴	1 146	-	-	-	-	3 953	5 099
	1 146	-	-	-	-	3 953	5 099
	1 301	7 959	25 800	96	119	45 317	80 592

1. Director's fee of R0.2 million paid to PSG Management Services Proprietary Limited as non-executive director of PSG Group Limited.

2. Total performance incentive bonus awarded was R20.0 million (2017: R17.0 million). 70% of bonus awarded, being R14.0 million, is unconditional and was paid in cash in April 2018. The remaining 30% has been paid to the director; however, is conditional on the director remaining in employment and is subject to clawback provisions. The conditional portion of the bonus is payable as follows: R3.0 million in April 2019 (2017: R2.6 million in April 2018), being 12 months after award date, while the remaining R3.0 million (2017: R2.6 million; 2016: R2.3 million) is conditional for 24 months until April 2020 (2017: April 2019; 2016: April 2018).

3. Total performance incentive bonus awarded was R7.0 million, which was paid in cash in April 2018, as the director has more than 10 years' service in the group (no service conditions attached to release of 30% deferred portion of bonus award).

4. Director's fees paid of R1.1m as non-executive director of PSG Konsult Limited subsidiary entities.

5. These directors resigned effective 17 May 2017.

Equity-based remuneration

PSG Konsult Limited share options in terms of the PSG Konsult Group Share Incentive Scheme

	Number of share options as at 28 Feb 2017	Number of scheme shares during year	Average market price per share on vesting date	Vesting price per share R	Date granted	Number of share options as at 28 Feb 2018	Value of options redeemed/exercised ¹ R000	Closing indicative expected value ² R000
	Granted	Vested						
Audited								
Executive								
FJ Gouws	2 500 000	-	(2 500 000)	8.65	1.83	1/07/2012	-	17 050
	6 250 000	-	(3 125 000)	8.10	2.83	1/03/2013	3 125 000	16 469
	4 762 500	-	(1 587 500)	8.10	5.06	1/03/2014	3 175 000	4 826
	895 186	-	(223 797)	8.10	7.27	1/04/2015	671 390	186
	10 335 579	-	-	-	6.81	1/04/2016	10 335 579	-
	-	3 156 559	-	-	7.59	1/04/2017	3 156 559	-
	24 743 265	3 156 559	(7 436 297)			20 463 528	38 531	53 899
MIF Smith	500 000	-	(250 000)	8.10	2.83	1/03/2013	250 000	1 318
	1 350 000	-	(450 000)	8.10	5.06	1/03/2014	900 000	1 368
	709 560	-	(177 390)	8.10	7.27	1/04/2015	532 170	147
	2 398 150	-	-	-	6.81	1/04/2016	2 398 150	-
	-	1 030 108	-	-	7.59	1/04/2017	1 030 108	-
	4 957 710	1 030 108	(877 390)			5 110 428	2 833	11 181
Non-executive								
W Theron	1 500 000	-	(750 000)	8.10	2.83	1/03/2013	750 000	3 953
	1 500 000	-	(750 000)			750 000	3 953	4 403

1. The value of the options redeemed/exercised is the number of share options exercised in the 2018 financial year multiplied by growth in share price (market value share price at exercise less option grant price).

2. This column shows the number of outstanding options at year-end multiplied by the PSG Konsult Limited year-end share price, less the strike price of the instruments.

The following share option awards were accepted in terms of the PSG Konsult Group Share Incentive Trust between the end of the financial year and the date of this report:

- On 20 April 2018 Messrs FJ Gouws and MIF Smith accepted 3 750 000 and 1 200 000 share option awards at a strike price of R8.74 per share, respectively that and are exercisable in tranches of 25% each on the 2nd, 3rd, 4th and 5th anniversary of the award date.