REVIEWED CONDENSED CONSOLIDATED PROVISIONAL RESULTS

FOR THE YEAR ENDED 31 MARCH 2020

PEREGRINE

- ASSETS UNDER MANAGEMENT UP 15% TO R142 BILLION
- ONGOING SEGMENTAL HEADLINE EARNINGS PER SHARE UP 9% TO 166.4 CENTS
- SEGMENTAL HEADLINE EARNINGS PER SHARE DOWN 24% TO 164.0 CENTS
- NO FINAL DIVIDEND PENDING OUTCOME OF OFFER PROCESS ("THE OFFER") AS ANNOUNCED IN THE FIRM INTENTION ANNOUNCEMENT DATED 13 MARCH 2020 ("THE FIA")

PEREGRINE HOLDINGS LIMITED • INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA • REGISTRATION NUMBER 1994/006026/06 • SHARE CODE: PGR • ISIN CODE: ZAE000078127 • "PEREGRINE" OR "THE COMPANY" OR "THE GROUP"

The majority of the financial year was highlighted by the continued uncertainty imposed on the global markets by the US/China trade dispute and the effect thereof on global growth expectations. The world economy which was cyclically cooling down into the back end of 2019 elicited central bank responses of stimulating economies via lowering interest rates and quantitative easing. With dovish central banks as a backstop, risk appetite returned and equity markets reached new record highs at the end of 2019 and into the beginning of 2020. The first quarter of 2020 however delivered to the world a black swan event in the form of Covid-19. Once the ramifications of this globally spreading pandemic became apparent to the world, the markets went into freefall.

The South African landscape was arguably worse as the economy officially tumbled into recession, even before the Covid-19 turmoil. Moody's eventually downgraded South Africa at the end of March and a new era of raising funding as a non-investment grade issuer has begun.

The Group's ongoing segmental headline earnings (refer to the Segmental section of this announcement for the definition of ongoing Segmental earnings) increased by 7% to R348 million with ongoing segmental headline earnings per share increasing by 9% to 166.4 cents. The increase in ongoing segmental headline earnings is due, in the main, to the increase in earnings from Citadel. Annuity earnings, comprising 94% of total ongoing segmental earnings, increased by 10% year on year.

Primarily due to the fact that the comparative results include a once-off performance fee on exit amounting to £3 million (R58 million) received by Stenham arising out of the disposal of a property that formed part of the property portfolio sold to Stenprop in 2014 ("ad hoc performance fee") as well as profits of R77 million from the Broking & Structuring business before its disposal effective 1 October 2018, the results for this year, on a total all-inclusive headline earnings per share basis, are down 24%.

Financial results

IFRS - Earnings and Headline earnings

Basic earnings attributable to ordinary shareholders amounted to R266 million (2019: R410 million) and headline earnings attributable to ordinary shareholders amounted to R308 million (2019: R439 million), with basic earnings per ordinary share amounting to 130.9 cents per share (2019: 197.2 cents per share) and headline earnings per share amounting to 151.6 cents per share (2019: 210.8 cents per share).

The difference between basic earnings and headline earnings of R42 million stems from a further impairment of R38 million on the equity accounted investment in Java Capital and an impairment of R4 million on Citadel's investment in Electus Fund Managers.

Consistent with the prior period, in addition to providing the above IFRS earnings, Segmental earnings (referred to in the Introduction), which differ from IFRS earnings, are disclosed in more detail below. Annexures disclosing IFRS and Segmental earnings and the reconciliation between them are available on the Group's website www.peregrine.co.za.

Segmental

Please refer to the Segmental analysis, which forms part of the reviewed condensed consolidated provisional financial statements, read together with Annexure A, which is available on the Group's website, for reference purposes.

Continuing operations

Core operating revenue grew by 5% to R1.56 billion with performance fee related income increasing by 4% to R98 million. Operating expenses increased by 5% to R1.24 billion due primarily to increased salary related costs and bonuses, the latter as a result of increased core operating revenue and performance fee income. Income from equity accounted investees increased by 13% to R47 million.

Discontinued operations

For the information pertaining to the discontinued operation in the current year, please refer to the discontinued operation paragraph included in the notes and compliance section which forms part of this announcement.

Segmental basic and headline earnings

Basic earnings attributable to ordinary shareholders amounted to R300 million (2019: R432 million) with basic earnings per ordinary share amounting to 143.3 cents per share (2019: 202.8 cents per share). Headline earnings attributable to ordinary shareholders amounted to R343 million (2019: R461 million) with headline earnings per ordinary share amounting to 164.0 cents per share (2019: 216.6 cents per share).

The difference between earnings and headline earnings has been explained in the IFRS section above.

On an ongoing basis, Segmental headline earnings increased by 7% to R348 million (2019: R326 million), with Segmental headline earnings per share increasing by 9% to 166.4 cents (2019: 152.9 cents). Ongoing annuity earnings increased by 10% and comprises 94% (2019: 92%) of ongoing earnings. Ongoing Segmental headline earnings excludes, in the prior period, the ad hoc performance fee and headline earnings relating to the disposal of Broking & Structuring business.

Divisional Segmental results

Substantial non-controlling interests exist in Peregrine Capital as well as in Peregrine SA Holdings (being the effective 14% interest held by Nala) and, as such, management believes that headline earnings per division (which is the basis for the commentary below) best reflects each division's specific economic benefit to the shareholders of the Group.

Wealth Management

Citadel's value proposition being that of an "advice led" wealth and asset management business, continues proving to be somewhat counter cyclical as clients seek the harbour of safe haven investment opportunities and advice in turbulent times with the overall poor economic environment having less of an effect on the core business than on other local businesses within the Group. The client retention rate in the business is testament to this, remaining over 98%. Core revenue grew by 14% to R1.1 billion with assets under management at 31 March 2020 amounting to R57.2 billion (2019: R51.2 billion). The business remains geared towards the Rand/US Dollar rate with assets under management positively impacted by the currency weakness experienced during the year. Gross inflows amounted to R9.3 billion (2019: R5.7 billion) of which R1.9 billion was via recent acquisitions. Headline earnings increased by 11% to R259 million (2019: R234 million) driven by strong annuity earnings growth, continued effective cost controls, strong vertical integration initiatives and healthy inflows.

Stenham

Headline earnings decreased by 38% to R78 million (2019: R126 million) but increased by R11 million if the ad hoc performance fee included in the prior period headline earnings is excluded.

Stenham Asset Management's ("SAM") headline earnings increased to R62 million (2019: R50 million). The increase is mainly due to translating a weaker ZAR against the GBP, lower operating expenses and higher performance fee earned. Total assets under management and advice decreased to $3.8 billion (2019: $3.9 billion), with net revenue margins having improved slightly. As announced on 24 October 2019, subject to the entering into of formal sale and shareholders agreements (and receipt of the relevant regulatory approvals) with effect from 1 April 2019, Stenham Group Limited, a wholly-owned subsidiary of Peregrine has sold 50% of its shareholding in SAM to management in a transaction which values SAM at £16 million. The transaction is in accordance with Peregrine's stated practice and philosophy of management holding a significant economic interest in their own businesses and has been implemented in order to ensure the continuity, sustainability and long-term growth of the SAM business. On 26 May 2020, subsequent to year end, all conditions precedent in relation to the SAM sale agreement were met and as such management of the business now own 50% of the equity. Subject to regulatory approvals being obtained from all relevant authorities, the remaining 50% will be acquired by management if either:

- the scheme of arrangement is approved at the general meeting to be held to consider the resolutions proposed in respect of the offer; or
- in the event of the scheme of arrangement is not approved, eligible shareholders accept the general offer in respect of so many Peregrine shares as will result in the offerors acquiring at least 45% of all of the offer shares in respect of the offer.

Stenham Trustees' headline earnings decreased slightly to R36 million (2019: R37 million) as a result of the closure of a number of uneconomical structures as well as reduced activity linked to the slowdown of the SA economy. The non-South African focused Bellerive Trust JV increased earnings, highlighting the impact of the significantly different client base to that of the other trust businesses in the group.

Asset Management

Headline earnings for the division decreased to R23 million (2019: R35 million). Increased performance fees were earned in Peregrine Capital (the dominant business unit) on the back of relatively strong performance in the first quarter of the financial year. Management fees decreased somewhat as a result of the lower asset base and a change in the mix of assets. Costs increased due to new hires in the investment team and in business development.

Peregrine Capital's asset base reduced to R6.2 billion (2019: R6.8 billion) largely as a result of certain investors rebalancing their portfolios. Long-term performance remains exceptional and industry leading with 5%-10% outperformance of unit trusts with similar risk profiles over 5 and 10 year periods.

Advisory

Java Capital's attributable earnings for the period decreased to R13 million (2019: R15 million) and continue to be adversely impacted by the weak South African economic fundamentals resulting in reduced deal flow in both the general corporate finance space and in equity capital markets. In addition, as transactional activity by JSE-listed companies has declined, so has the volume of required circulars, announcements and other corporate advisory services which has translated into weaker financial performance.

Given current market conditions in the property sector as well as the level of activity in the equity market as a whole, management believe that an impairment of R46 million before non-controlling interests is necessary in the current year in order to reflect the Group's estimated recoverable amount in its equity accounted investment.

PEREGRINE

Group Head Office

At an attributable level, costs net of recoveries and interest income decreased to R25 million (2019: R26 million).

Issued share capital

Shares in issue at 31 March 2020 amount to 220.467 million and net of 17.286 million treasury shares amounted to 203.181 million, which is also the weighted average number of shares in issue. Treasury shares are inclusive of 6.1 million shares which were purchased to cover obligations in terms of the Citadel LTI schemes and which carry participatory rights.

Dividend

As advised in the joint firm intention announcement, one of the provisions applicable to the offer is that a termination event will occur if Peregrine declare and/or pay any distribution prior to the offer being implemented and a written notice is delivered to the Company by, inter alia, the offerors in respect of the offer. Accordingly, the directors have resolved not to declare a final dividend for the financial year ended 31 March 2020.

Conclusion

The continued strategic focus on growing annuity revenue streams continues to reap rewards in a challenging operating environment, which includes a weak local economy and subdued market sentiment.

As the Covid-19 lockdown reaches its later stages, the economic and social impacts are starting to come to the fore. Whilst uncertainty prevails as to how this crisis will play out to finality, we are still a long way from returning to normal. Fiscally, before the Covid-19 crisis South Africa was in a difficult situation, so the ability to create space for stimulus remains highly limited as business confidence has slumped to an all-time low.

The next six to twelve months are likely to remain a volatile time in the markets as the world continues to battle this pandemic.

Date: **23 JUNE 2020**

JOHANNESBURG, SOUTH AFRICA

Signed:

ROBERT KATZ
Group CEO & CFO

SEAN MELNICK
Non-executive Chairman

FURTHER DETAIL AND A PRINT-FRIENDLY VERSION OF THESE RESULTS ARE AVAILABLE FROM THE COMPANY'S WEBSITE AT WWW.PEREGRINE.CO.ZA ON TUESDAY, 23 JUNE 2020.

Directors: SA Melnick^ (Chairman); RE Katz (CEO & CFO); AP Moller (Executive); P Goetsch^; LN Harris#; S Sithole*; SI Stein*; B Tlhabanelo*
*^ Non-executive *Independent non-executive #Lead independent non-executive*
Company secretary and registered office: Peregrine Management Services Proprietary Limited, 1 Park Lane, Wierda Valley, Sandton, 2196 (PO Box 650361, Benmore, 2010), Telephone: +27 11 722 7400 Fax: +27 11 722 7410
Transfer Secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132)
Joint Sponsors: Java Capital and Deloitte & Touche Sponsor Services Proprietary Limited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% change 2019 to 2020	**Reviewed 2020 R'000**	Audited 2019 R'000
Continuing operations			
Operating revenue	2	**1 653 511**	1 628 199
Investment and other revenue	-20	**14 028**	17 645
Total revenue	1	**1 667 539**	1 645 844
Operating expenses	6	**(1 263 974)**	(1 188 894)
Profit from operations	-12	**403 565**	456 950
Net interest (expense) / income		**(588)**	34 426
Interest income		**35 849**	52 397
Interest expense		**(36 437)**	(17 971)
Share of profits from equity accounted investees	13	**47 117**	41 670
Profit before taxation and capital items		**450 094**	533 046
Capital items [1]		**(50 311)**	(101 791)
Profit before taxation		**399 783**	431 255
Taxation		**(66 510)**	(84 667)
Profit for the year from continuing operations	-4	**333 273**	346 588
Discontinued operations [2]		**(4 961)**	176 438
(Loss) / Profit from discontinued operations (net of income tax)		**(4 961)**	113 231
Capital item from discontinued operation (net of income tax)		**-**	63 207
Profit for the year	-37	**328 312**	523 026
Items that may be reclassified subsequently to profit or loss:		**106 948**	83 544
Currency translation differences		**106 948**	87 091
Less: currency translation gains reclassified to profit or loss on disposal of foreign operation		**-**	(3 547)
Items that will not be reclassified subsequently to profit or loss:			
Share of other comprehensive loss from equity accounted investee		**(7 635)**	(6 607)
Other comprehensive income for the year net of taxation		**99 313**	76 937
Total comprehensive income for the year		**427 625**	599 963
Profit for the year attributable to:			
Equity holders of the company	-35	**273 949**	422 785
Non-controlling interests	-46	**54 363**	100 241
	-37	**328 312**	523 026
Total comprehensive income for the year attributable to:			
Equity holders of the company	-25	**372 052**	495 942
Non-controlling interests	-47	**55 573**	104 021
	-29	**427 625**	599 963
Basic earnings per ordinary share (cents)	-34	**130,9**	197,2
Continuing Operations		**133,3**	133,8
Discontinued Operations		**(2,4)**	63,4

1 Capital items relate primarily to impairment allowances arising on the application of IAS 36 - *Impairment of Assets* to the Group's investment in equity accounted investees.

2 For additional information relating to the discontinued operations please refer to the Notes & Compliance section.

RECONCILIATION OF HEADLINE EARNINGS [1]

	% change 2019 to 2020	**Reviewed 2020 R'000**	Audited 2019 R'000
Profit for the year attributable to equity holders	-35	**273 949**	422 785
Adjustment relating to earnings attributable to participating treasury shares [2]		**(7 985)**	(12 323)
Basic earnings attributable to ordinary shareholders	-35	**265 964**	410 462
Capital items relating to discontinued operation [3]		**-**	(56 504)
Gain on disposal of interest in subsidiary		**-**	(56 668)
Fixed assets scrapped		**-**	164
Capital items relating to continuing operations		**42 005**	84 988
Loss on disposal of interest in equity accounted investee		**-**	1 495
Investment in equity accounted investees impaired		**42 005**	83 493
Headline earnings [4]	-30	**307 969**	438 946
Adjustment for discontinued operations [3]		**4 817**	(75 221)
Headline earnings from continuing operations [4]	-14	**312 786**	363 725
Headline earnings per ordinary share (cents)	-28	**151,6**	210,8
Continuing operations		**154,0**	174,7
Discontinued operations		**(2,4)**	36,1
Interim cash dividend per ordinary share declared subsequent to 30 September (cents)	-24	**65,0**	85,0
Final cash dividend per ordinary share declared subsequent to 31 March (cents) [5]		**-**	100,0
Interim cash dividend paid per ordinary share in respect of the previous period (cents)		**85,0**	-
Final cash dividend paid per ordinary share in respect of the previous period (cents)		**100,0**	170,0
Number of ordinary shares in issue ('000)		**220 467**	220 467
Treasury shares held ('000)		**17 286**	17 286
Weighted average number of ordinary shares in issue ('000)		**203 181**	208 197

1 The reconciliation of headline earnings does not form part of the statement of comprehensive income.

2 Diluted earnings per share has not been disclosed as the potential effect of the 6.1 million (2019: 6.1 million) participating treasury shares on conversion to ordinary shares has neither a dilutive nor an anti-dilutive effect.

3 For additional information relating to the discontinued operation please refer to the Notes & Compliance section.

4 Refer to Annexure A for the reconciliation of IFRS and Segmental headline earnings.

5 As advised in the firm intention announcement, one of terms of the offer was that it would be a termination event if Peregrine declared and/or paid any distribution prior to the offer being implemented. Accordingly, the directors have resolved not to declare a final dividend for the financial year ended 31 March 2020.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

PEREGRINE

	Reviewed 2020 R'000	Audited 2019 R'000
Assets		
Non-current assets	**7 610 824**	7 888 725
Property, plant and equipment	**128 196**	101 028
Right of use assets [1]	**249 618**	-
Intangible assets	**515 846**	638 282
Investment in equity accounted investees	**220 542**	267 280
Investments linked to policyholder investment contracts	**6 298 526**	6 756 735
Deferred taxation	**97 744**	69 960
Financial investments	**43 190**	55 440
Net investment in subleases [1]	**57 162**	-
Current assets	**1 186 178**	1 314 590
Financial investments	**325 044**	46 623
Net investment in subleases [1]	**1 701**	-
Loans and receivables	**3 207**	11 932
Trade and other receivables	**255 142**	310 204
Taxation	**11 865**	21 209
Cash and cash equivalents	**589 219**	924 622
Assets held for sale [2]	**421 017**	241 931
Total assets	**9 218 019**	9 445 246
Equity and liabilities		
Equity	**1 914 544**	1 914 033
Equity attributable to equity holders of the company	**1 860 473**	1 823 973
Non-controlling interests	**54 071**	90 060
Non-current liabilities	**6 680 696**	6 852 242
Policyholder investment contract liabilities	**6 298 526**	6 756 735
Interest-bearing borrowings	**51 927**	52 875
Lease liabilities [1]	**323 139**	-
Deferred taxation	**699**	9 586
Other non-financial payables	**6 405**	33 046
Current liabilities	**458 233**	518 903
Interest-bearing borrowings	**6 420**	47 082
Lease liabilities [1]	**22 823**	-
Trade and other payables	**399 907**	428 914
Taxation	**29 083**	42 907
Liabilities held for sale [2]	**164 546**	160 068
Total equity and liabilities	**9 218 019**	9 445 246
Net asset value per share (cents)	**889,0**	871,5

1 The Group adopted IFRS 16 - *Leases* with effect from 1 April 2019. Please refer to the Notes & Compliance section for an explanation on the transition provisions applied on adoption.
2 For additional information relating to the Assets and Liabilities held for sale please refer to the Notes & Compliance section.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total capital and reserves	Non-controlling interests	**Total equity**
	R'000	R'000	**R'000**
Balance at 31 March 2018 - audited	2 007 376	551 403	**2 558 779**
Profit for the year	422 785	100 241	**523 026**
Other comprehensive income for the year	73 157	3 780	**76 937**
Transactions with owners recorded directly in equity:	(679 345)	(565 364)	**(1 244 709)**
Dividends paid	(537 872)	(165 327)	**(703 199)**
Share-based payments	25 601	-	**25 601**
Disposal of investment in subsidiary companies	-	(400 037)	**(400 037)**
Acquisition of participating treasury shares	(46 809)	-	**(46 809)**
Repurchase of treasury shares	(7 599)	-	**(7 599)**
Repurchase and cancellation of shares of the holding company	(114 871)		**(114 871)**
Disposal of Zarclear Holdings Limited shares (previously Sandown Capital Limited) (adjustment to prior year taxation effect)	2 205	-	**2 205**
Balance at 31 March 2019 - audited	1 823 973	90 060	**1 914 033**
Profit for the year	273 949	54 363	**328 312**
Other comprehensive income for the year	98 103	1 210	**99 313**
Transactions with owners recorded directly in equity:	(335 552)	(91 562)	**(427 114)**
Dividends paid [1]	(335 249)	(88 827)	**(424 076)**
Share-based payments	7 794	-	**7 794**
Executive directors deferred remuneration scheme settlement on vesting	(8 097)	-	**(8 097)**
Disposal of investment in subsidiary companies	-	(2 735)	**(2 735)**
Balance at 31 March 2020 - reviewed	1 860 473	54 071	**1 914 544**

1 Dividends paid to equity holders of the Company relate to the final cash dividend of 100 cents per share which was paid on Monday, 5 August 2019 and the 65 cents per share which was paid on Monday, 3 February 2020.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

PEREGRINE

	Reviewed 2020 R'000	Audited 2019 R'000
Cash flow from operating activities	**125 024**	(816 466)
Cash flow from operating activities excluding stockbroking activities	**616 882**	496 942
Cash flow from stockbroking activities	**-**	(581 330)
Net interest and dividends received	**67 622**	168 393
Settlement of long term executive remuneration scheme	**(8 097)**	-
Cash dividends paid	**(440 266)**	(732 206)
Taxation paid	**(111 117)**	(168 265)
Cash flow from investing activities	**(322 537)**	(487 737)
Net (acquisition)/disposal of financial investments and other assets	**(254 291)**	46 574
Net purchase of property, plant and equipment	**(45 253)**	(13 260)
Net acquisition of subsidiary	**(16 122)**	-
Net acquisition of interest in equity accounted investee companies	**-**	(5 000)
Net disposal of interest in equity accounted investee companies	**-**	88 357
Disposal of subsidiary companies, net of cash and cash equivalents de-recognised	**5 448**	(658 030)
De-recognition of cash and cash equivalents on loss of control of hedge fund	**(29 548)**	(5 043)
Loan and receivables settled	**9 248**	-
Net investment in subleases settled	**6 979**	-
Obtaining control over hedge fund, net of cash acquired	**-**	58 665
Obtaining control over equity accounted investee, net of cash acquired	**1 002**	-
Cash flow from financing activities	**(115 632)**	(401 532)
Net acquisition of treasury shares	**-**	(54 408)
Shares repurchased and cancelled	**-**	(114 871)
Net cash flow from equity transactions with non-controlling interest	**-**	(884)
Net cash flow from financial instruments settled	**-**	170 246
Settlement of lease liabilities	**(35 608)**	-
Net settlement of financial liabilities	**(80 024)**	(401 615)
Net decrease in cash and cash equivalents	**(313 145)**	(1 705 735)
Cash and cash equivalents at beginning of the year	**1 014 091**	2 666 723
Effects of exchange rate changes on cash and cash equivalents	**61 447**	53 103
Cash and cash equivalents at end of the year	**762 393**	1 014 091
Presented and disclosed in the Statement of Financial Position under:		
Current assets	**589 219**	924 622
Assets held for sale (Discontinued Operations) [1]	**173 174**	89 469
	762 393	1 014 091

1 Refer to the Notes & Compliance section for additional information relating to the discontinued operations.

SEGMENTAL ANALYSIS

PEREGRINE

	Total revenue [1] R'000	Interest and share of profits from equity accounted investees R'000	Profit from ordinary activities R'000	Headline earnings R'000	% change in headline earnings 2019 to 2020
Reviewed - 2020					
Wealth and Asset Management	**1 259 153**	**2 794**	**416 577**	**281 938**	5
Wealth Management	**1 134 402**	**(11 034)**	**353 886**	**259 144**	11
Asset Management	**124 751**	**13 828**	**62 691**	**22 794**	-35
Stenham	**385 897**	**23 418**	**84 168**	**78 468**	-38
Advisory	**-**	**15 136**	**15 136** [2]	**13 017**	-14
Subtotal from reportable segments	**1 645 050**	**41 348**	**515 881**	**373 423**	-9
Group	**22 489**	**5 789**	**(37 572)**	**(25 329)**	-1
Total from continuing reportable segments	**1 667 539**	**47 137**	**478 309**	**348 094**	-9
Discontinued reportable segments	**-**	**-**	**-**	**(4 961)**	>100
Segmental results	**1 667 539**	**47 137**	**478 309**	**343 133**	-26
Reconciling items [3]	**-**	**(608)**	**(28 215)**	**(35 164)**	
Total per Consolidated statement of comprehensive income	**1 667 539**	**46 529**	**450 094**	**307 969**	-30
Audited 2019					
Wealth and Asset Management	1 154 676	15 531	423 870	268 629	
Wealth Management	1 012 846	6 908	326 148	233 672	
Asset Management	141 830	8 623	97 722	34 957	
Stenham	473 346	20 618	131 016	125 563 [4]	
Advisory	-	17 679	17 679 [2]	15 204	
Subtotal from reportable segments	1 628 022	53 828	572 565	409 396	
Group	14 880	28 004	(24 454)	(25 560)	
Total from continuing reportable segments	1 642 902	81 832	548 111	383 836	
Discontinued reportable segments	-	-	-	77 480	
Segmental results	1 642 902	81 832	548 111	461 316	
Reconciling items [3]	2 942	(5 736)	(15 065)	(22 370)	
Total per Consolidated statement of comprehensive income	1 645 844	76 096	533 046	438 946	

1 Total revenue includes annuity revenue of R1.56 billion (2019: R1.48 billion) and performance fee related revenue of R98 million (2019: R94 million).
2 Represents 50% of profit after taxation of the equity accounted investment. This investment was impaired by R46 million (2019: R100 million) during the current financial year and is reflected as "Capital items" on the face of the Condensed consolidated statement of comprehensive income. The critical accounting treatment and estimates / judgements made by management in performing the assessment were the same as those applied to the audited consolidated financial statements as at and for the year ended 31 March 2019.
3 The reconciling items of R35 million (2019: R22 million) relate primarily to the following adjustments:
3.1 Accounting for the earnings attributable to participating treasury shares of R8 million (2019: R12 million);
3.2 Management of Stenham view the hedging of the operating costs program as a cash flow hedge in all respects and as such the unrealised gains and losses are presented in internal statement of comprehensive income reports to the Chief Operating Decision Makers ("CODM") in other comprehensive income until realised, thereafter they are recycled into profit and loss. For IFRS purposes the hedging program is not designated for hedge accounting and as such, the net loss (both realised and unrealised) is treated as an expense in profit and loss. Thus a reconciling item equating to R23 million arises in the current year as a result of the differing accounting treatment between internal reporting to CODM's in terms of IFRS 8 and IFRS statutory reporting;
3.3 The difference in classification of Citadel's long term 2015 deferred remuneration scheme 2 for IFRS purposes and that applied for purposes of providing information to the CODM equates to R6 million (2019: R5 million). The Citadel 2015 deferred remuneration scheme 2 was initiated during the 2016 financial year, the terms of which provide the participants with the right to participate in an asset pool, primarily comprising of Peregrine Holdings Limited shares, which is settled through an attribution of profits over the service period (with the first application thereof being in the March 2017 financial year). The IFRS effects arise from the obligation being initially measured using the projected unit method in the year of inception. As 31 March 2020 represents the original vesting year of this scheme, there will be no further classification difference in future reporting periods, and
3.4 Management of Citadel previously recognised the payments made under the Cape Town property lease in terms of IAS 17 as an expense in profit or loss. For IFRS purposes these payments were recognised in profit or loss on a straight line basis over the term of the lease, which resulted in an accrued lease payment on the statement of financial position of R19 million as at 31 March 2019 and a charge to profit and loss of R4 million for the year ended 31 March 2019. IFRS 16, which replaced IAS 17 for reporting periods beginning on or after 1 January 2019, requires the accrued lease payment recognised under IAS 17 to be set off against the relevant right-of-use asset on initial measurement and released to profit or loss over the period of the useful life of the underlying asset. This has therefore given rise to a reconciling item equating to a R2 million release to the profit and loss in the current year.
4 The comparative results include the ad hoc performance fee of R58 million (£3 million) received by Stenham arising out of the disposal of a property that formed part of the property portfolio sold to Stenprop in 2014 .

ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

PEREGRINE

	Financial instruments at fair value through profit or loss ₺	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments and financial instruments beyond the scope of IFRS 7/9	**Total**	Fair value of financial instrument
	R'000	R'000	R'000	R'000	**R'000**	R'000
Reviewed as at 31 March 2020						
Non-current assets	6 312 866	28 854	-	1 269 104	**7 610 824**	6 312 866
Property, plant and equipment	-	-	-	128 196	**128 196**	-
Right of use assets	-	-	-	249 618	**249 618**	-
Intangible assets	-	-	-	515 846	**515 846**	-
Investment in equity accounted investees	-	4	-	220 538	**220 542**	-
Investments linked to policyholder investment contracts	6 298 526	-	-	-	**6 298 526**	6 298 526
Deferred taxation	-	-	-	97 744	**97 744**	-
Financial investments	14 340	28 850	-	-	**43 190**	14 340
Net investment in subleases	-	-	-	57 162	**57 162**	-
Current assets	325 044	836 631	-	24 503	**1 186 178**	325 044
Financial investments	325 044	-	-	-	**325 044**	325 044
Net investment in subleases	-	-	-	1 701	**1 701**	-
Loans and receivables	-	3 207	-	-	**3 207**	-
Trade and other receivables	-	244 205	-	10 937	**255 142**	-
Taxation	-	-	-	11 865	**11 865**	-
Cash and cash equivalents	-	589 219	-	-	**589 219**	-
Assets held for sale	-	227 908	-	193 109	**421 017**	-
Total assets	6 637 910	1 093 393	-	1 486 716	**9 218 019**	6 637 910
Non-current liabilities	6 298 526	-	51 927	330 243	**6 680 696**	6 298 526
Policyholder investment contract liabilities	6 298 526	-	-	-	**6 298 526**	6 298 526
Interest-bearing borrowings*	-	-	51 927	-	**51 927**	-
Lease liabilities	-	-	-	323 139	**323 139**	-
Deferred taxation	-	-	-	699	**699**	-
Other non-financial payables	-	-	-	6 405	**6 405**	-
Current liabilities	-	-	150 643	307 590	**458 233**	-
Interest-bearing borrowings*	-	-	6 420	-	**6 420**	-
Lease liabilities	-	-	-	22 823	**22 823**	-
Trade and other payables	-	-	144 223	255 684	**399 907**	-
Taxation	-	-	-	29 083	**29 083**	-
Liabilities held for sale	-	-	105 677	58 869	**164 546**	-
Total liabilities	6 298 526	-	308 247	696 702	**7 303 475**	6 298 526
					-	

Fair value information has not been provided for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

*The difference between the fair value and the carrying value of the interest bearing borrowings is in aggregate quantitatively immaterial. The fair value was determined using discounted cash flow models, applying a market related interest rate linked to JIBAR, together with the expected settlement amounts of the loan.

The fair value of financial assets classified as loans and receivables at amortised cost and financial liabilities classified as financial liabilities at amortised cost are classified as level 2 in terms of the fair value hierarchy.

₺ All financial instruments are mandatorily measured at fair value through profit or loss, except for Policyholder investment contract liabilities which are designated at fair value through profit or loss.

ANALYSIS OF ASSETS AND LIABILITIES BY FINANCIAL INSTRUMENT CLASSIFICATION

	Financial instruments at fair value through profit or loss ₺	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments and financial instruments beyond the scope of IFRS 7/9	Total	Fair value of financial instrument
	R'000	R'000	R'000	R'000	R'000	R'000
Audited as at 31 March 2019						
Non-current assets	6 769 843	42 561	-	1 076 321	7 888 725	6 769 843
Property, plant and equipment	-	-	-	101 028	101 028	-
Intangible assets	-	-	-	638 282	638 282	-
Investment in equity accounted investees	-	229	-	267 051	267 280	-
Investments linked to policyholder investment contracts	6 756 735	-	-	-	6 756 735	6 756 735
Deferred taxation	-	-	-	69 960	69 960	-
Financial investments *	13 108	42 332	-	-	55 440	13 108
Current assets	46 623	1 230 353	-	37 614	1 314 590	46 623
Financial investments	46 623	-	-	-	46 623	46 623
Loans and receivables	-	11 932	-	-	11 932	-
Trade and other receivables	-	293 799	-	16 405	310 204	-
Taxation	-	-	-	21 209	21 209	-
Cash and cash equivalents	-	924 622	-	-	924 622	-
Assets held for sale	150 148	91 783	-	-	241 931	150 149
Total assets	6 966 614	1 364 697	-	1 113 935	9 445 246	6 966 615
Non-current liabilities	6 756 735	-	52 875	42 632	6 852 242	6 756 735
Policyholder investment contract liabilities	6 756 735	-	-	-	6 756 735	6 756 735
Interest-bearing borrowings **	-	-	52 875	-	52 875	-
Deferred taxation	-	-	-	9 586	9 586	-
Other non-financial payables	-	-	-	33 046	33 046	-
Current liabilities	-	-	231 021	287 882	518 903	-
Interest-bearing borrowings **	-	-	47 082	-	47 082	-
Trade and other payables	-	-	183 939	244 975	428 914	-
Taxation	-	-	-	42 907	42 907	-
Liabilities held for sale	159 275	-	486	307	160 068	159 275
Total liabilities	6 916 010	-	284 382	330 821	7 531 213	6 916 010

Fair value information has not been provided for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

* The fair value disclosed for this item only relates to financial instruments at fair value through profit or loss and therefore excludes the financial instruments that are measured at amortised cost.

** The difference between the fair value and the carrying value of the interest bearing borrowings is in aggregate quantitatively immaterial. The fair value was determined using discounted cash flow models, applying a market related interest rate linked to JIBAR, together with the expected settlement amounts of the loan.

The fair value of financial assets classified as loans and receivables at amortised cost and financial liabilities classified as financial liabilities at amortised cost are classified as level 2 in terms of the fair value hierarchy.

₺ All financial instruments are mandatorily measured at fair value through profit or loss, except for Policyholder investment contract liabilities and R129 million of the R159 million liabilities held for resale, both of which are designated at fair value through profit or loss.

FAIR VALUE HIERARCHY

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is a presumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

The fair values of financial instruments traded in active markets are based on unadjusted quoted market prices at reporting date. A market is regarded as active if quoted prices for identical assets or liabilities are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the mid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value the instrument are observable, the instruments are included in level 2.

If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 March 2020:

			Reviewed 2020
	Level 1 R'000	Level 2 R'000	**Total R'000**
Financial assets at fair value though profit or loss (FVTPL)			
Mandatorily measured at FVTPL:	18 027	6 619 883	**6 637 910**
Investments linked to policyholder investment contracts	-	6 298 526	**6 298 526**
Financial investments	18 027	321 357	**339 384**
Collective investment schemes	-	304 614	**304 614**
Share portfolio investments - listed	15 629	-	**15 629**
Share portfolio investments - unlisted	-	395	**395**
Equity investments - listed	2 398	-	**2 398**
Equity investments - unlisted	-	939	**939**
Property fund investments - unlisted	-	2 135	**2 135**
Hedge fund investments - unlisted	-	13 274	**13 274**
Total financial assets carried at fair value	18 027	6 619 883	**6 637 910**
Financial liabilities at fair value though profit or loss (FVTPL)			
Designated at inception:			
Policyholder investment contract liabilities	-	(6 298 526)	**(6 298 526)**
Total financial liabilities carried at fair value	-	(6 298 526)	**(6 298 526)**

FAIR VALUE HIERARCHY (CONTINUED)

PEREGRINE

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 March 2019:

	Level 1 R'000	Level 2 R'000	Audited 2019 Total R'000
Financial assets at fair value though profit or loss (FVTPL)			
Mandatorily measured at FVTPL:	51 754	6 764 712	6 816 466
Investments linked to policyholder investment contracts	-	6 756 735	6 756 735
Financial investments	51 754	7 977	59 731
Collective investment schemes	33 977	3	33 980
Share portfolio investments - listed	17 267	-	17 267
Share portfolio investments - unlisted	-	376	376
Private equity investments - listed	510	-	510
Private equity investments - unlisted	-	1 800	1 800
Property fund investments - listed	-	1 961	1 961
Hedge fund investments - unlisted	-	3 837	3 837
Total financial assets carried at fair value	51 754	6 764 712	6 816 466
Financial liabilities at fair value though profit or loss (FVTPL)			
Designated at inception:			
Policyholder investment contract liabilities	-	(6 756 735)	(6 756 735)
Total financial liabilities carried at fair value	-	(6 756 735)	(6 756 735)

Valuation techniques applied and inputs to valuation techniques:

Financial assets and liabilities at fair value though profit or loss	Valuation technique used to determine fair value	Description of significant observable inputs used in valuation technique	Description of unobservable inputs used in valuation technique (not applicable for Level 1)	Value of unobservable inputs used in valuation technique (not applicable for Level 1)	Recurring or Non-recurring fair value measurement
Investments linked to policyholder investment contracts	Quoted market prices	The sum of unadjusted quoted prices in an active market of underlying investments that consist of listed equities, listed bonds and hedge fund investments that make up the portfolio of policyholder assets	The unit price is a combination of all the listed instruments within the portfolio. As there are no quoted prices for a similar instrument, categorisation is relegated to level 2.	N/A	Recurring
Collective Investment Schemes	Quoted market prices	The sum of the unadjusted quoted prices in an active market of listed underlying investments linked to units in unit trusts	The unit price is a combination of all the listed instruments within the portfolio. As there are no quoted prices for a similar instrument, categorisation is relegated to level 2.	N/A	Recurring
Share portfolio investments - listed	Quoted market prices	The sum of unadjusted quoted prices in an active market of underlying listed shares and cash	N/A	N/A	Recurring
Share portfolio investments - unlisted	Quoted market prices	The sum of unadjusted quoted prices in an active market of underlying listed preference shares	Dividend rate applied on the underlying preference shares	N/A	Recurring
Equity investments - listed	Quoted market prices	Unadjusted quoted prices in an active market of underlying investments	N/A	N/A	Recurring
Equity investments - unlisted	Amortised cost of loans receivable	Market related interest rate	Margin on the market related interest rate	N/A	Recurring
Property fund investments - unlisted	Valued on an open market basis by independent external valuators, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards	N/A	Open market value is based on the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction	N/A	Recurring
Hedge fund investments - unlisted	Quoted market prices	The fair value is determined by an independent administrator, based on the quoted market prices of the underlying investments held by the hedge funds	Unobservable inputs are mostly expense accruals of the hedge fund entities that are deducted from the sum of the fair values of net investments held by the hedge funds	N/A	Recurring
Policyholder investment contract liabilities	Quoted market prices	The sum of the quoted market prices of policyholder assets less related tax liability	The unit price is a combination of all the listed instruments within the portfolio. As there are no quoted prices for a similar instrument, categorisation is relegated to level 2.	N/A	Recurring

NOTES & COMPLIANCE

PEREGRINE

The reviewed condensed consolidated provisional financial statements of the Group as at and for the year ended 31 March 2020 comprise the Company and its subsidiaries ("the Group") results and the Group's interests in equity accounted investees.

Basis of preparation

The reviewed condensed consolidated provisional financial statements are prepared in accordance with the JSE Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require provisional reports to be prepared on a consolidated basis in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 - *Interim Financial Reporting*.

The accounting policies applied in the preparation of the reviewed condensed consolidated provisional financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements as at and for the year ended 31 March 2019 other than IFRS 16 - *Leases* that has been adopted with effect from 1 April 2019. The financial effects of adoption have been included in these reviewed condensed consolidated provisional financial statements. In addition, the Group adopted the new interpretation paper IFRIC 23 - *Uncertainty over Income Tax Treatments* from 1 April 2019, the beginning of its 2020 financial year, on the modified retrospective approach. The cumulative effect of initial application had no material impact on opening equity.

In preparing the reviewed condensed consolidated provisional financial statements management made 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. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at and for the year ended 31 March 2019, except for the judgements applied on adoption of IFRS 16 - *Leases (*refer Adoption of IFRS 16 - *Leases* below*)*.

The Group's results were prepared under the supervision of R Katz CA (SA), the Group's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). C Coward resigned as the Group's CFO with effect from 31 October 2019. In terms of the JSE dispensation received (as announced on 3 October 2019), R Katz holds the dual role of Group CEO and Group CFO.

Review report

These reviewed condensed consolidated provisional financial statements for the year ended 31 March 2020 have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available for inspection at the company's registered office together with the reviewed condensed consolidated provisional financial statements identified in the auditor's review report and / or is available for viewing on the Company's website at www.peregrine.co.za as part of this full announcement.

The auditor's review report does not necessarily report on all of the information contained in the announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's review engagement they should obtain a copy of the auditor's review report together with the accompanying financial information from the issuer's registered office.

Any prospects detailed in this announcement have not been reviewed or reported on by the auditors.

Adoption of IFRS 16- *Leases*

The Group adopted IFRS 16 with effect from the beginning of the current reporting period and applied the modified retrospective cumulative catch - up approach on adoption of the standard, which allows for comparative figures to remain as previously reported and not to be restated. Applying this model, the Group as a lessee and a lessor is required to recognise a right-of-use asset representing its right to use the underlying asset, a net investment in subleases representing an unconditional right to receive payments and a lease liability representing its obligation to make lease payments for all leases with a term of more than 12 months, unless the underlying asset is of low value. Depreciation is recognised on the right-of-use asset, interest income on the net investment in subleases and an interest expense on the lease liability, replacing the straight-line operating lease income and expense respectively. As a result, the Group's leases which were previously accounted for as operating leases in terms of IAS 17- *Leases* have been brought onto the statement of financial position.

The standard resulted in the recognition of right of use assets at initial application together with new leases in the current year of R334 million, reduced by the accrued lease payments of R24 million, net investment in subleases of R77 million and corresponding lease liabilities of R411 million. The right of use assets at the end of the reporting period amounted to R266 million, after accounting for depreciation of R41 million and translation exchange currency movements of negative R3 million, the net investment in subleases amounted to R69 million, after accounting for interest income of R4 million, lease receipts of R11 million and translation exchange currency movements of negative R1 million and the corresponding lease liabilities amounted to R371 million, after accounting for an interest expense of R29 million, lease payments of R65 million and translation exchange currency movements of positive R4 million.

The right of use assets of R17 million, net investment in subleases of R10 million and corresponding lease liabilities of R25 million included in the assets and liabilities held for resale on the face of the statement of financial position of R421 million and R165 million respectively are presented separately in the note below.

The lease liability has been measured using the incremental borrowing rate at the date of transition, which rate for onshore leases has been referenced to the Investec term loan rate applied for the funding obtained for the Group's Cape Town office development, with offshore leases referenced to the UK inflation rate (being an indicative borrowing rate). Both rates have been converted into fixed rates for purposes of lease accounting. The lease term applied takes into account the option to extend. There are no material rent provisions, restrictions imposed on dividends/borrowings or additional leases.

The financial effects included in the statement of comprehensive income on adoption of this standard were immaterial in terms of the Group as a lessee, however for the Group as a lessor the adoption of this standard resulted in a net reduction in attributable earnings of R7 million.

Discontinued operations

The Group invested seed capital of R80 million into the Flexible Opportunity Fund ("the Fund") on 1 March 2019, with a withdrawal date, as agreed between the parties, of no later than 1 March 2020. In terms of IFRS 10 - *Consolidated Financial Statements* the investment has to be consolidated. Consequently, with effect from 1 March 2019 to 29 February 2020, the withdrawal date, the Group consolidated the Fund. However, due to the short-term nature of this investment, the provisions of IFRS 5 - *Non-current Assets held for Sale and Discontinued Operations* apply to the disclosure of this investment and hence the loss after tax of the Fund of R5 million (2019: profit after tax R786 745) has been presented as a separate line item on the condensed consolidated statement of comprehensive income. In the comparative period, the Fund's assets and liabilities were recognised at the lower of their carrying value and fair value less costs to sell or using measurement principles of IFRS 9 in accordance with IFRS 5 and have been presented in the section below in respect of the comparative period.

The disposal of the Broking & Structuring business during the course of the previous financial year resulted in the profit after tax of the business of R176 million, which included a gain on disposal thereof of R63 million, being presented as a separate line item on the condensed consolidated statement of comprehensive income, in respect of the comparative period, in terms of IFRS 5 - *Non-current Assets Held For Sale and Discontinued Operations*. For further details of the disclosure of the disposal please refer to note 12 of the March 2019 audited annual financial statements included in the 2019 Integrated Report.

Assets and liabilities held for sale

During the current year a subsidiary of Stenham Limited, Stenham Group Limited ("SGL"), entered into a sale of shares agreement with SAM Global Limited ("SAM Global"), a company incorporated in Guernsey by the management of Stenham Asset Management Holdings Limited (SAM Business) led by Kevin Arenson, in respect of the sale and purchase of 50% of the shares in the SAM Business with an effective date of 1 April 2019 at a valuation of the SAM Business of £16 million.

The disposal transaction, however, had not been concluded by year-end due to certain regulatory approvals still awaiting approval. Thus, as at 31 March 2020, the SAM Business met the definition of a disposal group in terms of IFRS 5 - Non-current Assets held for Sale and Discontinued Operations and has therefore been disclosed as such in these reviewed condensed consolidated provisional financial statements. In addition, the Group has therefore included 100% of the SAM Business earnings for the full 12 months as opposed to the effective 50%. Upon regulatory approvals being granted, the disposal transaction will become effective with the resultant recognition of a capital gain and / or loss on disposal. A downward adjustment equating to 50% of the earnings attributable to SAM Global in accordance with the provisions of the sale and shares agreement will be applied in the determination of the capital gain and / or loss. The expected capital gain equates to R20.3 million
(£1.1 million). Subsequent to the end of the reporting period, regulatory approval for the deal was received, with the initial purchase price of £3.25 million due from SAM Global being received on 2 June 2020.

If at least 45% of the shareholders vote in favour of the offer at the general meeting to be held on 21 July 2020 (refer to events subsequent to reporting date below), then SAM Global is obligated to acquire the remaining 50% from the SGL for £8 million, which amount is payable in cash. The total assets under management and advice of the Group will therefore reduce by, based on SAM Business' assets under management and advice as at 31 March 2020, R68 billion ($3.8 billion).

NOTES & COMPLIANCE (CONTINUED)

The assets and liabilities reflected below have been recognised at the lower of their carrying value and fair value less costs to sell or using measurement principles of IFRS 9 in accordance with IFRS 5.

	Reviewed 2020 [1] R'000	Audited 2019 [2] R'000
Assets held for sale	421 017	241 931
Right of use asset	16 755	-
Intangible assets	154 261	-
Deferred taxation	6 316	-
Financial investments	-	150 148
Investment in subleases	10 485	-
Trade and other receivables	60 026	2 314
Cash and cash equivalents	173 174	89 469
Liabilities held for sale	(164 546)	(160 068)
Lease liability	(25 265)	-
Financial instrument liabilities	-	(159 275)
Trade and other payables	(136 575)	(486)
Taxation	(2 706)	(307)
Attributable surplus net assets	256 471	81 863

[1] Represents the assets and liabilities of SAM disposal.

[2] The prior year represents the assets and liabilities of the Fund (refer Discontinued operations section above).

NOTES & COMPLIANCE (CONTINUED)

Acquisition

Citadel Holdings Proprietary Limited (“Citadel”) acquired the entire issued share capital of Purpose Wealth Proprietary Limited (“Purpose Wealth”) with effect from 1 April 2019 for a total cash consideration of R16.4 million. Purpose Wealth was acquired as it is aligned with the business profile of Citadel. Trade receivables are not impaired and the full amount has been received subsequent to the acquisition and before year-end. For the year ended to 31 March 2020, Purpose Wealth contributed revenue of R5.2 million and profit after taxation of R440 856.

The acquisition had the following effect on the Group’s assets and liabilities assumed at the acquisition date. The acquisition was accounted for as the purchase of underlying assets and liabilities and not the purchase of a business. The fair values reflected below represent their carrying values at the date of acquisition and therefore no fair value adjustments were recognised on acquisition.

	Reviewed 2020 R'000
Identifiable assets	16 762
Intangible assets - customer relationships	16 430
Trade and other receivables	19
Taxation	5
Cash and cash equivalents	308
Identifiable liabilities	
Trade and other payables	(332)
Fair value of identified net assets assumed	16 430

NOTES & COMPLIANCE (CONTINUED)

Going concern considerations in light of the Covid-19 pandemic

From the beginning of the 2020 calendar year, the global economy has been adversely affected by the outbreak of Covid-19. This pandemic could result in a global economic downturn that will have an adverse impact on sovereign governments, with expectations of suppressed fiscal revenues, increases in health expenditure, and reduced international trade likely to negatively affect government revenues and GDP. Consequently, unemployment and adjustments in fiscal and monetary policies to respond to the crisis will impact economies.

Whilst it seems likely at this point that the travel and tourism, entertainment, automotive, oil and gas, and health industries will be most affected due to disruptions in supply and demand, the Group has no concentrated focus on any of these industries and its investments and assets under management are well-diversified.

The Group has been classified as essential services by the government during the Covid-19 outbreak and has been able to continue to operate as business as usual. The businesses were successful in establishing a work-from-home policy at no significant additional financial costs.

Management of the underlying operating segments have reassessed and, where appropriate, updated budgets for the year ending 31 March 2021 given the current economic conditions as a result of Covid-19 and will continuously assess the impact on a monthly basis. The results of the revised budgets show no material indication of going concern or cash flow concerns. The Directors of the Group are therefore satisfied that the Group has adequate resources to continue in business for the foreseeable future.

Events subsequent to reporting date

The Directors have considered all available information at their disposal, including the potential effects of the Covid-19 pandemic as discussed above, and, other than as set out below, are not aware of any other significant matters or circumstances arising since the end of this reporting period and up to the date of this announcement, which would significantly affect the financial position of the Group or the results of its operations. Covid-19 is a developing situation with no measurable financial effect and as of the date of these reviewed condensed consolidated provisional financial statements, the assessment of this situation will need continued attention and will evolve over time, and as such, no adjustment has been made in these reviewed condensed consolidated provisional financial statements as a result.

Further to the joint firm intention announcement published on SENS on 13 March 2020, the circular setting out full details of the offer and the options available to, and steps to be taken by, shareholders has been approved by the JSE and was sent to shareholders on 12 June 2020 together with the prospectus (in terms of which Peregrine shareholders who wish to indirectly reinvest in Peregrine as an unlisted vehicle are provided with the relevant information).

Commitments

The Group adopted IFRS 16- *Leases* with effect from 1 April 2019 and as a result thereof there are no operating lease commitments that require separate disclosure as at the end of the current reporting period. The reconciling items between the minimum cash commitments in respect of non-cancellable operating leases (undiscounted) of R364 million as at 31 March 2019 and the IFRS 16 lease liabilities arising on initial application of R411 million comprise a combination of the undiscounted cash flows related to operating leases which terminated during the course of the current year and which were not renewed, the discounted cash flows related to the new lease entered into by the Group for its Johannesburg based operations during the course of the current year and the effects of discounting on the application of the standard to the Group’s existing leases. In addition there was a set off between the underlying right of use asset and corresponding lease liability so as to avoid double-counting of R49 million relating to an ownership adjustment in respect of the land and buildings in Cape Town in which Citadel owns 33.33% undivided share.

Supplementary information
Applicable exchange rates

	Average rates	Closing rates
USD:ZAR		
31 March 2020	14,78	17,86
31 March 2019	13,76	14,42
GBP:ZAR		
31 March 2020	18,78	22,15
31 March 2019	18,04	18,79

Date of release of this long form announcement on the Company's website: 23 June 2020

ANNEXURE A - SEGMENT STATEMENT OF COMPREHENSIVE INCOME VS. IFRS STATEMENT OF COMPREHENSIVE INCOME

PEREGRINE

	Segment disclosure		IFRS disclosure		Impact [1]	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Continuing operations						
Operating revenue	1 653 511	1 628 199	1 653 511	1 628 199	-	-
Investment and other income	14 028	14 703	14 028	17 645	-	2 942
Total revenue	1 667 539	1 642 902	1 667 539	1 645 844	-	2 942
Operating expenses	(1 236 367)	(1 176 623)	(1 263 974)	(1 188 894)	(27 607)	(12 271)
Profit from operations	431 172	466 279	403 565	456 950	(27 607)	(9 329)
Net interest income	20	40 162	(588)	34 426	(608)	(5 736)
Interest income	35 154	51 693	35 849	52 397	695	704
Interest expense	(35 134)	(11 531)	(36 437)	(17 971)	(1 303)	(6 440)
Share of profits from equity accounted investees	47 117	41 670	47 117	41 670	-	-
Profit before taxation and capital items	478 309	548 111	450 094	533 046	(28 215)	(15 065)
Capital items	(50 311)	(101 791)	(50 311)	(101 791)	-	-
Profit before taxation and capital items	427 998	446 320	399 783	431 255	(28 215)	(15 065)
Taxation	(67 894)	(88 681)	(66 510)	(84 667)	1 384	4 014
Profit for the year from continuing operations	360 104	357 639	333 273	346 588	(26 831)	(11 051)
Discontinued operations						
Profit from discontinued operation (net of income tax) - Broking & Structuring	-	112 316	-	112 316	-	-
Loss from discontinued operation (net of income tax) - the Fund	(4 961)	915	(4 961)	915	-	-
Profit from capital items from discontinued operation (net of income tax) - Broking & Structuring	-	63 207	-	63 207	-	-
Profit for the year	355 143	534 077	328 312	523 026	(26 831)	(11 051)
Profit for the year attributable to:						
Equity holders of the company	299 866	431 976	273 949	422 785	(25 917)	(9 191)
Non-controlling interests	55 277	102 101	54 363	100 241	(914)	(1 860)
	355 143	534 077	328 312	523 026	(26 831)	(11 051)
Basic earnings	299 866	431 976	265 964	410 462	(33 902)	(21 514)
Continuing Operations	304 827	296 126	270 781	278 572	(34 046)	(17 554)
Discontinued Operation	(4 961)	135 850	(4 817)	131 890	144	(3 960)
Headline earnings	343 133	461 316	307 969	438 946	(35 164)	(22 370)
Continuing Operations	348 094	383 836	312 786	363 725	(35 308)	(20 111)
Discontinued Operations	(4 961)	77 480	(4 817)	75 221	144	(2 259)
Ongoing Headline earnings [2]	348 094	325 703	312 786	307 286	(35 308)	(18 417)
Basic earnings per ordinary share (cents)	143,3	202,9	130,9	197,2	(12,4)	(5,7)
Continuing Operations	145,7	139,1	133,3	133,8	(12,4)	(5,3)
Discontinued Operations	(2,4)	63,8	(2,4)	63,4	-	(0,4)
Headline earnings per ordinary share (cents)	164,0	216,6	151,6	210,8	(12,4)	(5,8)
Continuing Operations	166,4	180,2	154,0	174,7	(12,4)	(5,5)
Discontinued Operations	(2,4)	36,4	(2,4)	36,1	-	(0,3)
Ongoing Headline earnings per ordinary share (cents) [2]	166,4	152,9	154,0	147,6	(12,4)	(5,3)
Number of ordinary shares in issue ('000)	220 467	220 467	220 467	220 467	-	-
Number of treasury shares ('000)	11 186	11 186	17 286	17 286	6 100	6 100
Weighted average number of ordinary shares in issue ('000)	209 281	212 970	203 181	208 197	(6 100)	(4 773)

1 Refer to "Segmental analysis" for reconciling items.
2 Excludes the Stenham ad hoc performance fee of R58 million (£3 million) (27 c/ps) in the prior period.

The Directors have disclosed the above information on the basis of the Group's segmental reporting approach. The Directors' take responsibility for the reporting on this basis, as it provides information to users which is consistent with the manner in which the Directors' manage the business and is provided for illustrative purposes only, and because of its nature may not fairly present the company's results of operations. It should not be used for any other purposes.

ANNEXURE B - RECONCILIATION OF SEGMENT STATEMENT OF FINANCIAL POSITION TO IFRS STATEMENT OF FINANCIAL POSITION

PEREGRINE

	Segment disclosure		IFRS disclosure		Impact [1]	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Assets						
Non - current assets	7 766 399	8 029 995	7 610 824	7 888 725	(155 575)	(141 270)
Property, plant and equipment	128 196	101 028	128 196	101 028	-	-
Right of use asset [2]	265 307	-	249 618	-	(15 689)	-
Intangible assets	515 846	638 282	515 846	638 282	-	-
Investment in equity accounted investees	220 542	267 280	220 542	267 280	-	-
Investments linked to policyholder investment contracts	6 298 526	6 756 735	6 298 526	6 756 735	-	-
Deferred taxation	93 351	66 951	97 744	69 960	4 393	3 009
Financial investments	187 469	199 719	43 190	55 440	(144 279)	(144 279)
Investment in subleases	57 162	-	57 162	-	-	-
Current assets	1 169 400	1 308 573	1 186 178	1 314 590	16 778	6 017
Financial investments	325 044	46 623	325 044	46 623	-	-
Investment in subleases	1 701	-	1 701	-	-	-
Loans and receivables	3 207	11 932	3 207	11 932	-	-
Trade and other receivables	255 142	310 204	255 142	310 204	-	-
Taxation	11 865	21 209	11 865	21 209	-	-
Cash and cash equivalents	572 441	918 605	589 219	924 622	16 778	6 017
Assets held for sale	421 017	241 931	421 017	241 931	-	-
Total assets	9 356 816	9 580 499	9 218 019	9 445 246	(138 797)	(135 253)
Equity and liabilities						
Equity	2 019 994	2 031 221	1 914 544	1 914 033	(105 450)	(117 188)
Equity attributable to equity holders of the company	1 953 997	1 930 149	1 860 473	1 823 973	(93 524)	(106 176)
Non-controlling interests	65 997	101 072	54 071	90 060	(11 926)	(11 012)
Non - current liabilities	6 680 696	6 832 631	6 680 696	6 852 242	-	19 611
Policyholder investment contract liabilities	6 298 526	6 756 735	6 298 526	6 756 735	-	-
Interest-bearing borrowings	51 927	52 875	51 927	52 875	-	-
Lease liabilities	323 139	-	323 139	-	-	-
Deferred taxation	699	9 586	699	9 586	-	-
Other non-financial payables	6 405	13 435	6 405	33 046	-	19 611
Current liabilities	491 580	556 579	458 233	518 903	(33 347)	(37 676)
Interest-bearing borrowings	6 420	47 082	6 420	47 082	-	-
Lease liabilities	22 823	-	22 823	-	-	-
Trade and other payables	433 254	466 590	399 907	428 914	(33 347)	(37 676)
Taxation	29 083	42 907	29 083	42 907	-	-
Liabilities held for sale	164 546	160 068	164 546	160 068	-	-
Total equity and liabilities	9 356 816	9 580 499	9 218 019	9 445 246	(138 797)	(135 253)

1 Refers to Citadel deferred remuneration schemes, in terms of which the participants have the right to participate in an asset pool, primarily comprising of Peregrine shares.

2 Management of Citadel previously recognised the payments made under the Cape Town property lease in terms of IAS 17 as an expense in profit or loss. For IFRS purposes these payments were recognised in profit or loss on a straight line basis over the term of the lease, which resulted in an accrued lease payment on the statement of financial position of R19 million as at 31 March 2019. IFRS 16, which replaced IAS 17 for reporting periods beginning on or after 1 January 2019, requires the accrued lease payment recognised under IAS 17 to be set off against the relevant right-of-use asset on initial measurement and released to profit or loss over the period of the useful life of the underlying asset. This has therefore given rise to a reconciling item equating to R15 million after accounting for a R4 million (pre tax) release to the profit and loss in the current year.

The Directors have disclosed the above information on the basis of the Group's segmental reporting approach. The Directors' take responsibility for the reporting on this basis, as it provides information to users which is consistent with the manner in which the Directors' manage the business and is provided for illustrative purposes only, and because of its nature may not fairly present the company's results of operations. It should not be used for any other purposes.