PEREGRINE

Audited results for the year ended 31 March 2006

Highlights

Profit before tax up 106% to R356,0 million
Attributable earnings up 135% to R251,8 million
Headline earnings per share up 106% to 111,7 cents
Dividend increased by 150% to 30 cents per share
Group assets under management currently exceed R26 billion
Return on equity of 40,2%

Introduction
The Peregrine group has produced an excellent set of results for the year under review with attributable earnings increasing by 135% to R251,8 million. This resulted in a return on average equity exceeding 40% for the year.

Features for the year include:
- strong organic growth within the group's core hedge fund and related prime broking operations, enhancing Peregrine's dominant position in the South African hedge fund industry;
- highly satisfactory investment performances, both within Peregrine's suite of hedge fund offerings and within the group's private wealth management arm, Citadel, resulting in substantial performance fees being earned for the year;
- remarkably strong cash generation by the group resulting in the annual dividend being increased by 150% to 30 cents per share.

Results
Total revenue, comprising operating revenue and investment income, increased by 70% to R628,5 million from R369,8 million, as a result of good investment performances on an appreciably larger asset base for the year. Investment income amounted to 14% of total revenue, compared to 13% in the previous year.

Stripping out the effects of direct staff profit participation in the increased profitability of each of the underlying businesses, as well as the first-time consolidation effects of Deloitte Private Clients (DPC) into Citadel, core operating expenses of the group increased by 18%. The major contributor to this was Peregrine Securities, with an increase in costs of 74% (excluding bonuses). This increase must, however, be seen in the context of a burgeoning business which, though incurring substantial additional marginal cost, produced an overall profit increase of 232%.

The substantial growth in the group's hedge fund related prime-broking operations and continued strong cash generation within the group resulted in net interest earned for the year of R68,4 million from R13,9 million previously.

A capital profit of R36,0 million was earned principally from the receipt of proceeds during the year arising from the disposal of a non-core group subsidiary during the group's re-focussing exercise in 2003. This helped increase profit before taxation to R356,0 million for the year, an increase of 106%.

With a reduced rate of taxation as a result of the utilisation of previously assessed losses, and a lower number of shares in issue, basic earnings per share increased by 137% to 130,4 cents per share and headline earnings per share increased by 106% to 111,7 cents per share.

Operating highlights
Private-client **wealth manager**, Citadel, produced a 75% increase in profit from ordinary activities to R73,4 million, contributing 23% to group profitability. Effective from 1 June 2005, Citadel acquired 64% of DPC, making it a wholly owned subsidiary. DPC was thus consolidated for 10 months of the year and a seamless integration of the DPC business into the Citadel group was completed during the year. Following disappointing inflows from inception, Citadel's fledgling joint-venture with Sanlam Life was terminated during the second half of the year.

Continued gross inflows of approximately R100 million per month, together with positive investment performance for the year, saw Citadel's asset base rise comfortably above R10 billion, with the business starting to accrue performance fees in the last nine months of the year under review. Citadel, whose annuity earnings base now exceeds R50 million per annum before performance fees, currently has more than half its client base in performance fee territory, with a substantial portion on the threshold of paying performance fees. A year ago, the number of clients paying performance fees was negligible.

Following the spectacular rise in local equity markets and prior to the recent bout of market weakness, Citadel, on behalf of its client base, implemented a structure which gives comprehensive protection against a sharp fall in the local equity market whilst still preserving the long-term upside linkage to the market in the local component of its portfolios. In addition, the business still retains a strong positive correlation to any depreciation in the local currency over time.

The businesses within the **asset management** division collectively increased their contribution to group profitability by 60% to R109,4 million, or 34% of group profitability. The group's hedge fund management operations, comprising both Peregrine Capital and Peregrine Investment Managers (PIM) contributed R101,2 million (93%) of this amount and PeregrineQuant (PQ), whose assets under management now exceed R12 billion, contributed R8,1 million (7%) for the year.

Peregrine is currently South Africa's largest single strategy hedge fund manager, managing in excess of R3 billion of single strategy hedge funds. The group's hedge fund flagship, Peregrine Capital, which has an outstanding (and the country's longest hedge fund) track record, currently manages R2,3 billion. The business is currently expanding its staff complement with a view to increasing its capacity in due course.

The group's newer range of hedge funds, housed within PIM, currently manage an additional R1 billion. During the period, PIM's assets under management were augmented by the acquisition from Decillion of 50% of Big Rock, the fund with the second longest track record in the country.

Hedge fund returns were consistently good across the group's suite of hedge funds with substantial performance fees being earned. It is worth noting that the group's hedge fund assets under management have almost doubled in the past year alone and tripled over the past two years. With this level of growth, a lower level of return is required in the current year to generate the same level of performance fees achieved in the year under review.

Whilst it is difficult to predict returns in any single year, we envisage that the growth in the hedge fund industry (and concomitantly our funds) will continue at a significant pace and that Peregrine's returns will continue to be attractive on a risk-adjusted basis over the medium to long-term.

In November last year, Peregrine entered the local fund-of-hedge fund market with the announcement of the formation of Caveo Fund Solutions, a joint venture with Investment Solutions, the country's largest multimanager. The formation of this business is an integral part of the group's focus on attaining a strong vertically integrated position within the local hedge fund industry. The deal only became unconditional following FSB approval in April 2006 and as a result, Caveo, which will be associate-accounted, was not included in the results under review. It is anticipated that inflows into the business will be substantial over time. Assets under management, which were approximately R340 million at inception of the business have grown to R750 million in a short space of time.

The **structuring, broking and distribution** activities housed within Peregrine Securities produced a 232% increase in profitability to R82,3 million, contributing 26% to group profit from ordinary activities.

A substantial portion of the profits in the division emanated from interest earned from activities within the prime-broking division. Building a prime-broking capacity within Peregrine Equities has been a further initiative in establishing a vertically integrated platform within the hedge fund industry. The benefits of this strategy became patently evident over the past twelve months with the group applying substantial additional resource and capital to the business during the year. The business now has a "book" of hedge fund and similar clients of approximately R4 billion which is expected to grow as the hedge fund industry expands, which growth will be carefully managed.

Buoyant market conditions substantially boosted the profitability of the other broking businesses within the division. Similar levels of divisional profitability going forward are possible if the size of the prime broking "book" can be preserved and if market volatility remains high.

Return on **group investments** (net of group costs) increased by 54% to R54,8 million from R35,5 million, contributing 17% to group profit-ability. Investments were made into several new hedge funds during the year and no withdrawals of group capital were made from any of the group's existing hedge fund investments. Sound returns were achieved across this increased hedge fund base. Similar good returns were achieved within the group's private equity portfolio, which comprises 10% of the group's proprietary investments.

The disposal of all non-core operations in the two years previous to this one, the autonomous nature of the underlying subsidiaries in the group and the ongoing improvement in efficiencies within the group, have allowed the staff complement at a Holdings level to be reduced over the past two years. The head office staff complement is now smaller than at any time in the past five years.

Notwithstanding an increase in Holdings' staff bonuses commensurate with the increase in the group's profitability, head office costs were only 4,5% higher than the previous year (after stripping out the accounting effect of the reversal of the deferred lease obligation on the group's head office).

Prospects
We have just completed a year in which the group's return on equity exceeded 40% and the basic earnings per share of 130,4 cents exceeded the low of the Peregrine share price just three years previous.

We are quietly confident of what can be achieved by continuing to build on the group's well-established positions in the local private wealth management and hedge fund arenas.

We remain, however, fully cognisant that Peregrine's financial performance will continue to be closely linked to the investment performance of its underlying businesses and, as such, any short term forecasts would be imprudent.

BEE transaction
Shareholders are referred to the announcement published on SENS on 8 December 2005, which set out the material terms of the proposed BEE transaction.

A delay in obtaining approval for the circular and accordingly holding the scheme meeting and implementing the BEE transaction has been occasioned by, inter alia, complications arising from the potential related party implications of the envisaged funding structure.

The draft circular has been submitted to the JSE Limited ("the JSE") for informal approval. Once formal approval has been obtained, an announcement setting out the salient dates, as well as the pro forma financial effects based on the published financial results set out above, will be made. Completion of the BEE transaction, including receipt by shareholders of amounts arising out of or in terms of the BEE transaction, should, subject to fulfilment of all conditions precedent, be implemented within two months of receipt of the formal approval from the JSE which, it is hoped, will be received by the end of June 2006.

Dividend
The directors have resolved to declare a dividend of 30,0 cents per share for the year, an increase of 150% on the previous year.

In compliance with the requirements of STRATE, the following dates are applicable to the dividend payment:

Last date to trade cum dividend: Friday, 18 August 2006
Trading ex-dividend commences: Monday, 21 August 2006
Record date: Friday, 25 August 2006
Payment date: Monday, 28 August 2006
Shares may not be dematerialised or rematerialised between Monday, 21 August 2006 and Friday, 25 August 2006, both dates inclusive.

By order of the board

Louis Fourie - Chairman
Sean Melnick - Chief Executive Officer
Sandton - 30 May 2006

CASH FLOW STATEMENT

	Audited Year ended 31 March 2006 R'000	IFRS restated Year ended 31 March 2005 R'000	As previously reported Year ended 31 March 2005 R'000
Cash flow from operating activities	**270 090**	75 162	90 799
Cash generated from operating activities	**221 988**	128 711	128 711
Working capital changes	**73 078**	(34 937)	(19 300)
Net interest received	**66 726**	12 809	12 809
Dividends paid	**(23 431)**	(9 804)	(9 804)
Taxation paid	**(68 271)**	(21 617)	(21 617)
Cash flow from investing activities	**(14 204)**	9 615	9 615
Cash flow from financing activities	**2 162**	(38 759)	(38 759)
Share repurchases	**(16 964)**	(32 541)	(32 541)
Proceeds on vesting of shares held by staff share trust	**8 941**	987	987
Share incentive scheme payments received	**16 905**	4 246	4 246
Dividends paid to minorities	**(18 724)**	(11 567)	(11 567)
Loan from minorities	**12 986**	-	-
Decrease in loan receivable	**-**	200	200
Decrease in interest bearing borrowings	**(982)**	(84)	(84)
Net increase in cash and cash equivalents	**258 048**	46 018	61 655
Cash and cash equivalents at beginning of the year	**161 700**	115 682	121 285
Cash and cash equivalents at end of the year	**419 748**	161 700	182 940

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS AND IAS 17

Basis of preparation
The group has adopted International Financial Reporting Standards (IFRS) for the year ended 31 March 2006. IFRS1 - First time adoption of International Financial Reporting Standards has been applied in preparation of the results.

An explanation of how the transition from SA GAAP to IFRS has affected the group's financial position and performance is set out in the accompanying reconciliations and notes.

In respect of the cash flow statement, cash balances as at 31 March 2004 and 31 March 2005 have decreased in the amounts of R5,603 million and R21,240 million respectively as a result of the reclassification of margin deposits. There is a corresponding increase in cash utilised in working capital in the amount of R15,637 million, being the movement in the margin deposit balance.

IFRS 1 elections
In applying IFRS, the group has made the following notable elections:
1. Business combinations: not to retrospectively apply the requirements of IFRS 3 for business combinations that occurred prior to 1 April 2004. As a result the carrying amount of goodwill is the amortised amount on 31 March 2004 and previously amortised goodwill is not re-instated;
2. Cumulative foreign currency translation adjustment: to deem the cumulative translation differences in respect of foreign operations to be zero at 31 March 2004, thus reclassifying the foreign currency translations reserves at that date as retained earnings;
3. Share-based payments: not to apply the provisions of IFRS 2 - Share-based payments to equity settled awards granted on or before 7 November 2002, but to account retrospectively for all share-based payment transactions where the scheme allows the option holder a choice as to cash settlement.

Significant changes
IFRS 3 - Goodwill
The group changed its accounting policy with respect to goodwill for the year ended 31 March 2005, as detailed in the 2005 annual report.

IFRS 2 - Share-based payments
There is no change under IFRS to the accounting treatment of either the Peregrine (deferred delivery scheme) or Citadel (options granted prior to 7 November 2002) share incentive schemes.

Deloitte Private Clients has made the election to apply IFRS 2 retrospectively to all share-based payment transactions occurring before its transition date, as the scheme allows the option holder a choice of cash settlement. A liability has been raised and the corresponding cost of the options is amortised as an expense over the vesting period of the options.

IAS 27 - Consolidation of investment funds
IAS 27 requires the consolidation of certain investment trusts established and managed by Citadel Life to facilitate investments on behalf of clients. Whilst the consolidation of the funds has a material effect on gross assets and liabilities, there is no effect on net income and net equity.

The group does not consolidate the investment trusts which house various of the funds managed by Peregrine Capital and Peregrine Investment Managers as these trusts are controlled by independent trustees and the benefits accrue directly to investors as beneficiaries of the trusts.

IAS 17 - Leases
The issuance of circular 7/2005 by SAICA on 2 August 2005, clarified the interpretation of IAS 17.

As detailed in the 2005 annual report, the lease of the group's Sandton premises was capitalised as a finance lease in terms of AC105. To the date of capitalisation the lease was accounted for as an operating lease.

The application of IAS 17 results in the recognition of higher lease costs in previous periods with a reduction in the 2004 opening equity and in attributable earnings for the six months to September 2004. On capitalisation of the lease, the full deferred lease liability raised to date of capitalisation under IAS 17, is required to be reversed to earnings in the period that the lease is capitalised. As this took place during the second half of 2005, attributable earnings for that six month period have increased by R15.2 million after tax. The distortion in earnings is created as a result of the timing of the accumulation and subsequent reversal of the deferred lease liability.

IAS 28 - Reclassification of available-for-sale financial assets
The group has historically classified its private equity investments as available for sale assets, with changes in fair value recognised in equity. Certain of these investments qualify as associates under IAS 28. IAS 28 and 31 exclude investments in associates held by venture capitalists and similar entities, provided that the investments are classified as at fair value through profit or loss and measured at fair value through the income statement. As it would not be appropriate to equity account the results of the group's private equity investments, the group has extended this treatment to its full private equity portfolio. Previous revaluations through equity (AC133 revaluation reserve) have been transferred to income.

IFRS 4 - Disclosure of investment contracts
In previous years, AC121 permitted insurers to reflect movements on insurance contracts in the assurance fund and not through the income statement. The contracts issued by Citadel Life do not qualify as insurance contracts as defined in IFRS 4 and as IFRS does not include a suitable replacement for AC121, these contracts need to be accounted for in terms of IAS 32 and IAS 39 on financial instruments. The income statement, which previously reflected only fair value movements in policyholder investments and funds has been restated to reflect all policyholder movements, including the expenses borne by policyholders and the tax withheld on policyholder funds. There is no net effect on group equity.

IAS 27 - Removal of exemption from consolidation of subsidiaries acquired and held exclusively with a view to disposal in the short-term
During March 2005 Peregrine acquired a controlling interest in Prosperity Investment Holdings (Pty) Ltd and it subsidiaries ("Prosperity"). The results of Prosperity were not consolidated into the group results as, subsequent to year-end, Prosperity disposed of its only remaining asset, a 14.5% interest in NBC Holdings (Pty) Ltd ("NBC"). IFRS does not allow exemption from consolidation of subsidiaries intended for sale in the short-term. In applying IFRS, the Prosperity group has been consolidated. The effect of consolidation is that Prosperity is no longer reflected as part of investment in associates, but the investment in Prosperity, represented by its investment in NBC, is included as part of financial investments at fair value through profit or loss as part of current assets. The NBC investment was disposed of during the current year. The change in treatment has no effect on net equity.

IAS 7 - Disclosure and classification of cash and cash equivalents
The group previously included margin deposits as part of cash and cash equivalents. This practice has been reconsidered in light of IAS 7 which defines cash and cash equivalents as "cash balances and call deposits". Margin deposits have been reclassified appropriately.

IAS 12 - Reclassification of deferred tax assets and liabilities
The group has offset deferred tax assets and liabilities previously disclosed on a gross basis in accordance with the offset criteria of IAS 12.

INCOME STATEMENT

	% change 2005 to 2006	Audited Year ended 31 March 2006 R'000	IFRS restated Year ended 31 March 2005 R'000	As previously reported Year ended 31 March 2005 R'000
Operating revenue	67	**538 017**	322 007	322 007
Investment income	89	**90 463**	47 790	50 248
Investment contract benefits		**360 020**	133 666	113 045
Investment contract expenses		**(360 020)**	(133 666)	(113 045)
Operating expenses	76	**(379 838)**	(215 310)	(234 935)
Profit from operations	61	**248 642**	154 487	137 320
Net interest received		**68 395**	13 938	13 938
Interest received		**117 088**	28 020	28 020
Interest paid		**(48 693)**	(14 082)	(14 082)
Income from associate companies		**2 947**	2 263	2 375
Profit from ordinary activities	87	**319 984**	170 688	153 633
Capital surplus on sale of subsidiaries		**36 016**	5 030	5 030
Capital impairment		**-**	(3 300)	(3 300)
Profit before taxation	106	**356 000**	172 418	155 363
Taxation		**(80 432)**	(51 904)	(46 447)
Profit for the year	129	**275 568**	120 514	108 916
Attributable to:				
Equity holders of the company	135	**251 811**	107 223	95 625
Minority interest		**23 757**	13 291	13 291
		275 568	120 514	108 916
Determination of headline earnings				
Profit attributable to equity holders of the company		**251 811**	107 223	95 625
Adjustments:				
Impairment of loan receivable		**-**	3 300	3 300
Capital surplus on sale of subsidiaries		**(36 016)**	(5 030)	(5 030)
Headline earnings	105	**215 795**	105 493	93 895
Headline earnings per share (cents)	106	**111.7**	54.1	48.2
Basic earnings per share (cents)	137	**130.4**	55.0	49.1
Diluted headline earnings per share (cents)	100	**104.3**	52.1	46.4
Diluted basic earnings per share (cents)	130	**121.8**	52.9	47.2
Dividend paid per ordinary share - in respect of the previous year (cents)	140	**12.0**	5.0	5.0
Dividend per ordinary share declared subsequent to 31 March (cents)	150	**30.0**	12.0	12.0
Number of ordinary shares in issue ('000)		**229 971**	229 985	229 985
Treasury shares held ('000)		**37 300**	39 259	39 259
Weighted average number of ordinary shares in issue ('000)		**193 128**	194 903	194 903
Diluted weighted average number of ordinary shares in issue ('000)		**206 801**	202 532	202 532

BALANCE SHEET

	Audited as at 31 March 2006 R'000	IFRS restated as at 31 March 2005 R'000	As previously reported as at 31 March 2005 R'000
ASSETS			
Non-current assets	**2 493 659**	1 808 474	1 619 444
Property, plant and equipment	**85 301**	84 332	84 332
Intangible assets	**245 591**	186 915	186 915
Investment in associate companies	**1 449**	7 546	17 117
Investments linked to policyholder investment contracts	**2 055 472**	1 461 177	1 259 121
Financial investments	**77 567**	28 662	28 662
Loans and receivables	**17 608**	29 971	29 122
Deferred taxation	**10 671**	9 871	14 175
Current assets	**3 909 728**	1 369 088	1 359 686
Financial investments	**332 614**	199 464	190 062
Trade and other receivables	**118 463**	53 292	53 292
Amounts receivable in respect of stockbroking activities	**3 037 915**	954 632	933 392
Taxation	**988**	-	-
Cash and cash equivalents	**419 748**	161 700	182 940
Total assets	**6 403 387**	3 177 562	2 979 130
EQUITY AND LIABILITIES			
Equity	**759 592**	510 979	511 079
Share capital, retained earnings and reserves	**834 206**	588 099	588 199
Treasury shares	**(86 220)**	(83 693)	(83 693)
Minority interest	**11 606**	6 573	6 573
Non-current liabilities	**2 181 803**	1 547 575	1 349 043
Interest bearing borrowings	**78 836**	73 061	73 061
Policyholder investment contract liabilities	**2 055 472**	1 461 177	1 259 121
Loans and payables	**22 705**	752	-
Deferred taxation	**24 790**	12 585	16 861
Current liabilities	**3 461 992**	1 119 008	1 119 008
Trade and other payables	**174 851**	91 806	91 806
Amounts payable in respect of stockbroking activities	**3 248 724**	997 293	997 293
Current portion of interest bearing borrowings	**2 708**	982	982
Taxation	**35 709**	28 927	28 927
Total equity and liabilities	**6 403 387**	3 177 562	2 979 130
Net asset value per share (cents)	**388.2**	264.5	264.5

PROFIT RECONCILIATION

For the year ended 31 March 2005	As previously reported R'000	Adjustment for IAS17 and effect of IFRS R'000	Restated R'000
Operating revenue and investment income	372 255	(2 458)	369 797
Investment contract benefits	113 045	20 621	133 666
Investment contract expenses	(113 045)	(20 621)	(133 666)
Operating expenses	(234 935)	19 625	(215 310)
Profit from operations	137 320	17 167	154 487
Net interest received	13 938	-	13 938
Interest received	28 020	-	28 020
Interest paid	(14 082)	-	(14 082)
Income from associate companies	2 375	(112)	2 263
Profit from ordinary activities	153 633	17 055	170 688
Net capital surplus/impairment	1 730	-	1 730
Profit before taxation	155 363	17 055	172 418
Taxation	(46 447)	(5 457)	(51 904)
Profit for the year	108 916	11 598	120 514
Attributable to:			
Equity holders of the company	95 625	11 598	107 223
Minority interest	13 291	-	13 291
	108 916	11 598	120 514

SEGMENTAL ANALYSIS

	Audited Year ended 31 March 2006: Revenue R'000	Interest & associate income R'000	Profit from ordinary activities R'000	IFRS restated Year ended 31 March 2005: Revenue R'000	Interest & associate income R'000	Profit from ordinary activities R'000	% change in profit from ordinary activities 2005 to 2006	% of profit from ordinary activities 2006	2005
Wealth & asset management	**412 828**	**6 040**	**182 813**	257 760	4 181	110 393	66	57	65
Wealth management	**221 461**	**5 200**	**73 441**	143 025	3 478	42 082	75	23	25
Asset management	**191 367**	**840**	**109 372**	114 735	703	68 311	60	34	40
Structuring, broking & distribution	**121 671**	**74 963**	**82 326**	67 779	11 994	24 790	232	26	14
Group investments (net of group costs)	**93 981**	**(9 661)**	**54 845**	44 258	26	35 505	54	17	21
	628 480	**71 342**	**319 984**	369 797	16 201	170 688	87	100	100

STATEMENT OF CHANGES IN EQUITY

	Share capital & share premium R'000	Treasury shares R'000	Accumulated profits R'000	Non-distributable reserves R'000	Obligation to issue shares R'000	Total capital & reserves R'000	Minority interest R'000	Total equity R'000
2006								
Balance at 31 March 2005 IFRS restated	**52 667**	**(83 693)**	**461 378**	**38 907**	**35 147**	**504 406**	**6 573**	**510 979**
Write-down in value of treasury shares on vesting	**-**	**14 378**	**(5 437)**	**-**	**-**	**8 941**	**-**	**8 941**
Currency translation differences	**-**	**-**	**-**	**(2 510)**	**-**	**(2 510)**	**-**	**(2 510)**
Revaluation of available-for-sale assets	**-**	**-**	**-**	**29 648**	**-**	**29 648**	**-**	**29 648**
Deferred tax on revaluation of available-for-sale assets	**-**	**-**	**-**	**(3 915)**	**-**	**(3 915)**	**-**	**(3 915)**
Net gains and losses not recognised in the income statement	**52 667**	**(69 315)**	**455 941**	**62 130**	**35 147**	**536 570**	**6 573**	**543 143**
Profit for the year	**-**	**-**	**251 811**	**-**	**-**	**251 811**	**23 757**	**275 568**
Dividends paid	**-**	**-**	**(23 431)**	**-**	**-**	**(23 431)**	**(18 724)**	**(42 155)**
Share repurchases	**-**	**(16 905)**	**-**	**-**	**-**	**(16 905)**	**-**	**(16 905)**
Treasury shares cancelled	**(59)**	**-**	**-**	**-**	**-**	**(59)**	**-**	**(59)**
Balance at 31 March 2006	**52 608**	**(86 220)**	**684 321**	**62 130**	**35 147**	**747 986**	**11 606**	**759 592**
2005								
Balance at 31 March 2004 as previously reported	87 433	(90 476)	385 221	34 408	-	416 586	4 849	421 435
IFRS adjustments	-	-	(17 691)	3 965	-	(13 726)	-	(13 726)
Balance at 31 March 2004 restated	87 433	(90 476)	367 530	38 373	-	402 860	4 849	407 709
Write-down in value of treasury shares on vesting	-	4 850	(3 863)	-	-	987	-	987
Currency translation differences	-	-	-	(925)	-	(925)	-	(925)
Revaluation of available-for-sale assets	-	-	-	1 459	-	1 459	-	1 459
Net gains and losses not recognised in the income statement	87 433	(85 626)	363 667	38 907	-	404 381	4 849	409 230
Profit for the year	-	-	107 223	-	-	107 223	13 291	120 514
Dividends paid	-	-	(9 804)	-	-	(9 804)	(11 567)	(21 371)
Share repurchases	(32 541)	-	-	-	-	(32 541)	-	(32 541)
Treasury shares cancelled	(2 225)	1 933	292	-	-	-	-	-
Obligation to issue shares	-	-	-	-	35 147	35 147	-	35 147
Balance at 31 March 2005	52 667	(83 693)	461 378	38 907	35 147	504 406	6 573	510 979

RECONCILIATION OF ASSETS, LIABILITIES AND EQUITY

	Assets 31 March 2005 R'000	Assets 31 March 2004 R'000	Liabilities 31 March 2005 R'000	Liabilities 31 March 2004 R'000	Equity 31 March 2005 R'000	Equity 31 March 2004 R'000
As previously reported/restated	2 979 130	1 897 465	2 468 051	1 476 030	511 079	421 435
IAS17 - Leases	1 067	6 424	998	20 093	69	(13 669)
IFRS adjustments	197 365	(10 185)	197 534	(10 128)	(169)	(57)
IAS27/SIC12 - Consolidation of investment trusts	202 056	-	202 056	-	-	-
Adjustments affecting income from associates as a result of IFRS adoption by associates	(169)	(57)	-	-	(169)	(57)
IAS12 - Reclassification of deferred tax assets and liabilities	(4 522)	(10 128)	(4 522)	(10 128)	-	-
Restated	3 177 562	1 893 704	2 666 583	1 485 995	510 979	407 709
The movement in equity comprises: Adjustments affecting accumulated profits	-	-	-	-	(6 093)	(17 691)
IAS17 - Leases	-	-	-	-	69	(13 669)
IAS28/IAS39 - Reclassification of available-for-sale assets	-	-	-	-	6 007	8 035
IAS21 - Foreign currency translation reserve	-	-	-	-	(12 000)	(12 000)
Adjustments affecting income from associates as a result of IFRS adoption by associates	-	-	-	-	(169)	(57)
Adjustments affecting non-distributable reserves	-	-	-	-	5 993	3 965
IAS28/IAS39 - Reclassification of available-for-sale assets	-	-	-	-	(6 007)	(8 035)
IAS21 - Foreign currency translation reserve	-	-	-	-	12 000	12 000
	-	-	-	-	(100)	(13 726)

CONTINGENT LIABILITIES
During the course of the year, the group has entered into transactions giving rise to the following contingent liabilities:
- Guarantees in the amount of R13,45 million in respect of private equity investments; and
- A potential additional purchase consideration in the amount of R25,66 million in respect of the acquisition of Deloitte Private Clients (Pty) Ltd (DPC) to the extent that all warranties are met.

AUDIT REPORT
The results for the year ended 31 March 2006 have been audited by PKF (Jhb) Inc. and their unqualified audit report is available for inspection at the group's registered office.

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