

**MARSHALL
MONTEAGLE PLC**

2020
INTERIM REPORT
AND DIVIDEND DECLARATION



Marshall Monteagle PLC

Incorporated in Jersey, Registered No. 102785

Registered Office:
2nd Floor, Gaspé House
66-72 Esplanade,
St. Helier, Jersey, JE1 1GH
Channel Islands

29 June 2020

Dear Shareholder,

Marshall Monteagle is an Investment Company. It is listed on the Johannesburg Stock Exchange and has a broad and diversified range of investments. The investments fall broadly into the following categories:

Blue Chip International listed companies;
Industrial Property in the United States of America and South Africa; and
Financing and Trading Companies that operate on an international basis.

The Company's objective is to invest for the long term to generate reliable profits, cash flow and dividends for our shareholders; thereby achieving capital growth for the benefit of all stakeholders.

The Directors report the results for the six months to 31 March 2020 and a dividend declaration.

Overview

The sale of Monteagle Africa completed in the period led to a cash inflow to the Group of US\$5.2m after tax. This has further strengthened the Group's balance sheet and some of the surplus working capital has been temporarily deployed into blue chip investments. Three major factors have disrupted growth of the Group over the period:

Covid-19 caused a major but temporary reduction in stock market valuations which lasted over the period end. This has resulted in a reduction of the market value of investments of US\$4.7m (US\$0.13 per share) and a consequent reduction in profits. Most of this reduction in market value has been reversed since the period end. Covid-19 has also impacted the trading businesses in which we have invested to varying extents, as explained more fully below.

The value of the South African Rand, influenced by Covid-19, fell by 18% over the period. While our trading cash flows are fully hedged, this has led to imported goods into South Africa becoming more expensive, impacting on demand. It has also reduced the value of our net assets denominated in South African Rands by US\$6m, equivalent to US\$0.17 per share.

Certain of our trading businesses have been impacted by increased competition, which has led to substantial decreases in both sales volumes and margins.

Despite these headwinds the Group's balance sheet remains very strong, reinforced by positive trading cash inflows, and the dividend is being maintained. At 31 March 2020 cash balances were US\$29.4m.

Our total net assets amount to US\$2.15 per share, which compares with US\$2.37 per share at 30 September 2019. Assets outside Africa, net of proposed dividends, stand at US\$53.3m, equal to US\$1.49 per share (30 September 2019 - US\$1.62); the balance of US\$23.9m, equal to US\$0.66 per share, is held in South Africa (2019 - US\$0.75 per share).

We are not aware of any incidence of Covid-19 in our workforce and we continue to take all necessary measures to mitigate risk of infection by this virus.

Headlines

- Group revenue decreased by 36% to US\$66,833,000 compared with the same period last year. In constant currency terms revenue decreased by 32.5% to US\$70,254,000.
- Loss for the period is US\$2,979,000, compared to the restated profit after tax of US\$4,058,000 for the same period last year. In constant currency terms loss is US\$2,847,000.
- Headline loss is US\$14.3 cents per share compared to restated earnings of US\$6.9 cents per share in the same period last year.
- Basic loss per share is US\$8.4 cents compared to restated earnings of US\$6.9 cents per share in the same period last year.
- An interim dividend of US\$1.9 cents per share will be paid on 24 July 2020 (2019 – US\$1.9 cents).
- Net assets per share are US\$2.15 (2019 – US\$2.28). Net assets per share have decreased slightly from the 30 September 2019 figure of US\$2.37 per share.

The Group's investments in import and distribution businesses, and investment properties are reported on separately below.

Import and Distribution

Our Import and Distribution businesses in food and household consumer products provide procurement, supply chain and risk management services to multiple retailers, wholesalers and manufacturers throughout Southern and Central Africa and South America. These businesses continue to operate in a very challenging global retail market and we constantly review our shipping and supply-chain to ensure that we remain the most cost effective solution from factory to shelf. We remain committed to working with suppliers of quality raw materials, skilled technologists and first world production facilities.

The global Covid-19 pandemic has resulted in many challenges throughout the supply-chain and we expect these challenging conditions to continue throughout the remainder of this year and into the new year with limited forward visibility. Currency and raw material markets remain extremely volatile compounded by significantly increased competition which has materially affected volumes and margins. These factors have constrained profitability in the period and are expected to impact on returns for the rest of the year.

The Coffee business in South Africa continued with a stable run from last year into the first 4 months of the 2020 year. The challenging environment, green coffee price volatility, and exchange rate depreciation against the dollar has put pressure on our business in terms of supply-chain and margins. This was further exasperated by the onset of the Covid-19 pandemic from February impacting on both the demand side and the supply side of the business. The lasting effect of the Covid-19 pandemic will be felt in the next 6 months of the year and the business is doing everything in its power to maintain and grow within the new trading environment.

Our Metals and Minerals business provides fully integrated marketing, logistics, finance and shipping services to the Southern African mining industry. We are committed to partnering with producers who require a professional all-encompassing solution from collection ex mine through to delivery to end users on an international basis. This division continues to make good operational progress, and we are developing new partnerships: with miners in Southern Africa, and end users on an international basis. During the six months under review markets we trade in have been adversely affected by the global Covid-19 pandemic, initially impacting end users in Asia and subsequently producers in South Africa. This has significantly impacted volumes, and we expect these imbalances will take many months to come back into balance.

The Tool & Machinery business in South Africa services National chains as well as the independent retail stores. Our product offering is constantly being adapted to meet the ever-changing demand. Lockdown led to a temporary cessation of trade, but full operations have since resumed. As a consequence, sales have declined in US dollar terms against the same period previous year. Margins have been negatively affected by fluctuating exchange rates and increased competition.

Property Portfolio

Rental income from our large multi-tenanted industrial property in San Diego has continued to grow and the property remains fully let. Covid-19 has not impacted on income for this half year.

The Group's South African commercial and light industrial property portfolio has achieved a satisfactory return in a struggling economic climate. The Group is maintaining its focus on administrative and operating efficiencies as the demand for premises continues to be flat, as a result of extremely low levels of business confidence.

Certain tenants have been granted varying levels of rental discounts due to business interruption resulting from Covid -19, and we have also undertaken not to charge interest on specific late payments. This is not anticipated to have a material impact on income.

Interim Dividend

We are pleased to announce that the Company is to pay an interim dividend of US\$1.9 cents per share. The dividend is payable on 24 July 2020 to shareholders on the register at the close of business on 17 July 2020.

Board changes

Mr Alastair Barclay Stood down as a director and chairman of Marshall Monteagle plc at the AGM in May this year. Mr Rory Kerr has taken over as chairman. This is Alastair's second retirement from the Group, and he leaves with heartfelt thanks and best wishes from his colleagues on the Board.

Alastair joined the Group in March 1980 and, as chief executive of our Company Secretary, City Group, was instrumental in unravelling the complex structure of the Group, before retiring for the first time in September 1999. In doing so, he drew to good effect on his prior experience of investment in mining and doing business with Africa.

Alastair re-joined the Group as chairman in April 2017 and since then has led an increase in the professionalism of the Board's corporate governance processes, and reporting. In particular, he has overseen adaptations required to comply with King IV, including the expansion of the role of the Remuneration Committee to explicitly cover social and ethical issues, and to publish remuneration policy and implementation reports. Under his leadership the Group has substantially grown its FMCG and metals and minerals trades, exited peripheral businesses in Australia and Dubai, and profitably sold its business as an intermediary in the supply chain for Spar in South Africa, releasing substantial working capital.

In particular, the Board would like to thank his wife, Patricia, for the support she has provided to Alastair, and her forbearance in permitting him to come back from his first retirement. We wish them both a long and happy life.

Prospects

The Group remains very liquid and able to react quickly to investment and trading opportunities. We will continue to protect our staff and deal fairly with stakeholders. We expect trading profits to be lower than they have been historically.

R. C. Kerr
Chairman

D.C. Marshall
Chief Executive

Dividend declaration

Shareholders on the South African register will receive their interim dividend in South African Rand converted from US dollars at the closing rate of exchange on Thursday, 25 June 2020. In order to comply with the requirements of Strate, the relevant details are as follows:

Shareholders are hereby advised that the exchange rate to be used will be USD 1 = ZAR 17.2068. This has been calculated as the average of the bid/ask spread at 16.00 (United Kingdom time) being the close of business on Thursday, 25 June 2020.

In respect of the normal gross cash dividend of US\$1.9 cents (32.69292 South African cents), and in terms of the new South African Tax Act, the following dividend tax ruling only applies to those shareholders who are registered on the South African register at close of business on Friday, 17 July 2020. All other shareholders are exempt. The gross dividend is for the six-month period ended 31 March 2020 and will be paid on Friday, 24 July 2020.

- The dividend has been declared from income reserves, which funds are sourced from the Jersey holding company's main bank account in Switzerland and is therefore deemed a foreign dividend.
- The dividend withholding tax rate is 20% resulting in a net dividend of US\$1.52 cents (26.15432 South African cents) per share to those shareholders who are not exempt from the dividend withholding tax.

The issued number of shares at the declaration date is 35,857,512. The Company's Jersey tax number is CH4513.

Salient dates for dividend

| | |
|---|-------------------------|
| Last day to trade | Tuesday, 14 July 2020 |
| Shares trade ex-dividend | Wednesday, 15 July 2020 |
| Record date (date shareholders recorded in books) | Friday, 17 July 2020 |
| Pay date | Friday, 24 July 2020 |

No dematerialisation or rematerialisation of share certificates, nor transfer of shares between the registers in Jersey and South Africa will take place between Wednesday, 15 July 2020 and Friday, 17 July 2020, both dates inclusive.

Contacts and Addresses

Registered Office

2nd Floor, Gaspé House
66-72 Esplanade
St Helier
Jersey, JE1 1GH

South Africa

11 Sunbury Park, La Lucia Ridge Office Estate,
La Lucia, 4051
(PO Box 4126, The Square 4021)
Tel: +27 31 566 7600

Company Secretary

City Group PLC
1 Ely Place
London, EC1N 6RY
Tel: +44 20 7796 9060
E-mail: monteagle@city-group.com

Consolidated Statement of Total Comprehensive Income

| | | Half Years Ended | | Year Ended |
|---|-------|----------------------|----------------------------------|--------------------|
| | | 31 March | | 30 September |
| | | 2020 | 2019 | 2019 |
| | Notes | Unaudited US\$000 | Restated Unaudited US\$000 | Audited US\$000 |
| Continuing operations | | | | |
| Group revenue | 2 | 66,833 | 104,104 | 198,599 |
| Other income | 3a | 2,152 | 1,012 | 3,284 |
| | | 68,985 | 105,116 | 201,883 |
| Change in inventories of finished goods and work in progress | | (9,054) | (13,004) | 939 |
| Finished goods, raw materials and consumables | | (40,876) | (62,990) | (143,815) |
| Employee benefit expense | | (3,938) | (5,670) | (9,036) |
| Depreciation and amortisation expense | | (290) | (332) | (520) |
| Other expenses | 3b | (14,163) | (20,892) | (41,332) |
| Share of associated companies results | | 110 | (12) | 20 |
| Operating profit before taxation | | 774 | 2,216 | 8,139 |
| Fair value adjustment on investments | | (4,744) | (274) | 39 |
| Finance Expense | | (1,163) | (939) | (1,992) |
| (Loss)/Profit before taxation | 2 | (5,133) | 1,003 | 6,186 |
| Taxation | | 55 | (600) | (2,084) |
| (Loss)/Profit after taxation on continuing operations | | (5,078) | 403 | 4,102 |
| Profit on disposal of discontinued operations | | 4,130 | - | - |
| Tax on profit on disposal of discontinued operations | | (2,031) | - | - |
| Profit after tax on discontinued operations | | - | 3,655 | 6,975 |
| (Loss)/Profit for the period | | (2,979) | 4,058 | 11,077 |
| (Loss)/Profit attributable to owners of the parent | | (3,032) | 2,487 | 7,730 |
| Profit attributable to non-controlling interests | | 53 | 1,571 | 3,347 |
| Basic and fully diluted (loss)/earnings per share (US\$ cents) | 4 | (8.4) | 6.9 | 21.6 |
| Other Comprehensive (Expense)/Income on continuing operations: | | | | |
| <i>Items that will not be reclassified subsequently to profit and loss:</i> | | | | |
| Commercial property fair value adjustments | | - | - | 137 |
| Less applicable tax | | - | - | (27) |
| | | - | - | 110 |
| <i>Items that may be reclassified subsequently to profit and loss:</i> | | | | |
| Exchange differences on translation into US dollars of the financial statements of foreign entities | | (4,668) | (807) | (2,800) |
| Other Comprehensive Income on discontinued operations | | - | - | 16 |
| Total Other Comprehensive Income | | (4,668) | (807) | (2,674) |
| Total Comprehensive Income | | (7,647) | 3,251 | 8,403 |
| Total Comprehensive Income attributable to owners of the parent | | (7,037) | 1,900 | 5,857 |
| Total Comprehensive Income attributable to non-controlling interests | | (610) | 1,351 | 2,546 |
| Interim dividend per share (US\$ cents) | | 1.9 | 1.9 | 1.9 |
| Final dividend per share (US\$ cents) | | - | - | 1.9 |

Consolidated Statement of Changes in Equity

| | Ordinary Share Capital | Share Premium | Other Reserves | Retained Earnings | Total Shareholders' Interests | Non- Controlling Interests | Group Total |
|---|------------------------------|------------------|-------------------|----------------------|-------------------------------------|----------------------------------|----------------|
| | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 |
| Half year ended 31 March 2019 | | | | | | | |
| Profit after taxation | - | - | (274) | 2,761 | 2,487 | 1,571 | 4,058 |
| Other Comprehensive Income | - | - | (408) | (179) | (587) | (220) | (807) |
| Total Comprehensive Income | - | - | (682) | 2,582 | 1,900 | 1,351 | 3,251 |
| Balances at start of period | 8,964 | 23,606 | 52 | 47,912 | 80,534 | 10,419 | 90,953 |
| Reclassification of subsidiary to associate | - | - | - | - | - | (918) | (918) |
| <i>Transactions with shareholders</i> | | | | | | | |
| Dividends paid | - | - | - | (681) | (681) | (1,711) | (2,392) |
| Balances at end of period | 8,964 | 23,606 | (630) | 49,813 | 81,753 | 9,141 | 90,894 |
| Half year ended 31 March 2020 | | | | | | | |
| Profit after taxation | - | - | (5,341) | 2,309 | (3,032) | 53 | (2,979) |
| Other Comprehensive Income | - | - | (3,998) | (7) | (4,005) | (663) | (4,668) |
| Total Comprehensive Income | - | - | (9,339) | 2,302 | (7,037) | (610) | (7,647) |
| Balances at start of period | 8,964 | 23,606 | (291) | 52,687 | 84,966 | 10,451 | 95,417 |
| Opening balance adjustment (IFRS 16) | - | - | - | 15 | 15 | - | 15 |
| Disposal of subsidiary | - | - | - | - | - | (6,113) | (6,113) |
| <i>Transactions with shareholders</i> | | | | | | | |
| Dividends paid | - | - | - | (681) | (681) | (56) | (737) |
| Balances at end of period | 8,964 | 23,606 | (9,630) | 54,323 | 77,263 | 3,672 | 80,935 |

Consolidated Statement of Financial Position

| | 31 March | | 30 September |
|--|-----------------|-----------------|-----------------|
| | 2020 | 2019 | 2019 |
| | Unaudited | Unaudited | Audited |
| | US\$000 | US\$000 | US\$000 |
| Non-current assets | | | |
| Investment property | 22,467 | 23,372 | 24,066 |
| Property, plant and equipment | 6,279 | 10,382 | 7,188 |
| Intangible assets | - | 523 | - |
| Right of use of Asset | 395 | - | - |
| Deferred taxation | 799 | 1,342 | 999 |
| Associates | 562 | 865 | 409 |
| General portfolio – (note 5) | 29,228 | 31,019 | 31,662 |
| | <u>59,730</u> | <u>67,503</u> | <u>64,324</u> |
| Current assets | | | |
| Inventories | 13,000 | 25,873 | 24,729 |
| Trade and other receivables | 18,467 | 72,800 | 23,941 |
| Cash | 29,430 | 15,829 | 22,654 |
| | <u>60,897</u> | <u>114,502</u> | <u>71,324</u> |
| Assets held for sale | - | - | 41,488 |
| | <u>120,627</u> | <u>182,005</u> | <u>177,136</u> |
| Current liabilities | | | |
| Trade and other payables | (19,728) | (70,841) | (29,647) |
| Liabilities held for sale | - | - | (31,987) |
| Net current assets | <u>41,169</u> | <u>43,661</u> | <u>51,178</u> |
| Total assets less current liabilities | <u>100,899</u> | <u>111,164</u> | <u>115,502</u> |
| Non-current liabilities | | | |
| Accounts payable | (12,723) | (13,557) | (12,834) |
| Operating lease | (411) | - | - |
| Deferred taxation | (6,830) | (6,713) | (7,251) |
| Total non-current liabilities | <u>(19,964)</u> | <u>(20,270)</u> | <u>(20,085)</u> |
| Net assets | <u>80,935</u> | <u>90,894</u> | <u>95,417</u> |
| Capital and reserves | | | |
| Called up share capital | 8,964 | 8,964 | 8,964 |
| Share premium account | 23,606 | 23,606 | 23,606 |
| Other reserves | (9,630) | (630) | (291) |
| Retained earnings | 54,323 | 49,813 | 52,687 |
| Equity attributable to owners of the parent | <u>77,263</u> | <u>81,753</u> | <u>84,966</u> |
| Non-controlling interests | 3,672 | 9,141 | 10,451 |
| | <u>80,935</u> | <u>90,894</u> | <u>95,417</u> |
| Net assets per share US\$ cents (note 6) | 2.15 | 2.28 | 2.37 |

Consolidated Statement of Cash Flow

| | 31 March | | 30 September |
|---|----------------------|----------------------|--------------------|
| | 2020 | 2019 | 2019 |
| | Unaudited US\$000 | Unaudited US\$000 | Audited US\$000 |
| Profit for the period | (2,979) | 4,058 | 11,077 |
| <i>Adjusted for:</i> | | | |
| Taxation | (55) | 1,713 | 4,329 |
| Depreciation | 290 | 505 | 1,048 |
| Share of associates | (110) | (27) | (80) |
| Finance expense | 1,163 | 1,107 | 2,379 |
| Other income | (2,014) | (729) | (3,303) |
| Profit on disposal of discontinued operations | (2,099) | - | - |
| Other expense –fair value adjustments and losses on disposal | 5,114 | 572 | 1,191 |
| <i>Changes in working capital:</i> | | | |
| Decrease/(Increase) in inventories | 7,655 | 2,991 | (3,146) |
| Decrease/(Increase) in debtors | 3,753 | (12,270) | 7,341 |
| (Decrease)/Increase in creditors | (4,641) | 5,578 | 1,301 |
| | <u>6,077</u> | <u>3,498</u> | <u>22,137</u> |
| Interest paid | (1,163) | (1,107) | (2,379) |
| Taxation paid | (1,651) | (811) | (3,765) |
| Net cash inflow from operating activities | <u>3,263</u> | <u>1,580</u> | <u>15,993</u> |
| Investment activities | | | |
| Purchase of, and improvements to, tangible non-current assets | (363) | (1,018) | (1,445) |
| Proceeds of disposal of tangible assets | 23 | 8 | 227 |
| Purchase of software | (1) | (11) | (13) |
| Net proceeds of disposal of subsidiary | 9,466 | 60 | 323 |
| Acquisition of investments | (4,674) | - | (331) |
| Proceeds on disposal of investments | 2,681 | - | - |
| Reclassification of subsidiary to associate | - | (783) | (1,046) |
| Dividends received | 347 | 343 | 1,041 |
| Interest received | 687 | 135 | 821 |
| Net cash inflow/(outflow) from investment activities | <u>8,166</u> | <u>(1,266)</u> | <u>(423)</u> |
| Cash inflow before financing | <u>11,429</u> | <u>314</u> | <u>15,570</u> |
| Financing activities | | | |
| Drawdown of long-term loans | 165 | 632 | 117 |
| Repayment of long-term loans | (11) | (58) | (119) |
| Operating lease financing | (78) | - | - |
| Dividends paid – group shareholders | (681) | (681) | (1,364) |
| Dividends paid – non-controlling interests of subsidiaries | (56) | (948) | (1,719) |
| Cash outflow from financing activities | <u>(661)</u> | <u>(1,055)</u> | <u>(3,085)</u> |
| Net increase/(decrease) in funds | 10,768 | (741) | 12,485 |
| Net funds at start of period | 16,017 | 5,911 | 5,911 |
| Effect of foreign exchange rates | (64) | (22) | (77) |
| Net cash and cash equivalents at end of period | 26,721 | 5,148 | 18,319 |
| Cash and cash equivalents on discontinued operations | - | - | (2,302) |
| Cash and cash equivalents on continuing operations | 26,721 | 5,148 | 16,017 |

Notes to the interim statement

- The results and the cash flow statement for the half-year ended 31 March 2020 are unaudited and comply with IAS 34 – Interim Financial Reporting as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council. They have been prepared on the basis of accounting policies that will be adopted in the accounts for the year ended 30 September 2020 and are the same as those for the prior year, with the exception of the standard below.

IFRS 16 ‘Leases’ was applied for a first time in this accounting period. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor IAS 17. The standard replaces IAS 17 ‘Leases’ and related interpretations.

The Group has chosen to apply the modified retrospective approach in transitioning to the new accounting standard.

The interim statement complies with International Financial Reporting Standards and JSE listing requirements. The results for the year to 30 September 2019 are an abridged version of the Group’s full accounts for that year, which have been filed with the relevant authorities, restated as disclosed above.

These results were prepared under the supervision of Edward Beale, The Group’s finance director.

Any reference to the future financial performance of the Group has not been reviewed or reported on by the Group’s auditors.

- The segmental analysis of revenue and operating profit is as follows:

| | Half years ended 31 March | | | | Year ended 30 | |
|---|---------------------------|----------------|-----------------------------|--------|---------------------------|---------|
| | 2020 US\$000 | | Restated 2019 US\$000 | | September 2019 US\$000 | |
| Analysed by activity: - | Revenue | Result | Revenue | Result | Revenue | Result |
| Import/distribution | 65,236 | (1,199) | 102,648 | 1,646 | 195,503 | 6,224 |
| Property | 1,597 | 523 | 1,456 | 437 | 3,096 | 891 |
| Share of associated companies results | | 110 | | (12) | | 20 |
| | 66,833 | (566) | 104,104 | 2,071 | 198,599 | 7,135 |
| Unallocated expense | | (812) | | (867) | | (2,280) |
| Fair value adjustment on investments | | (4,744) | | (274) | | 39 |
| Other Income | | 2,152 | | 1,012 | | 3,284 |
| Interest paid | | (1,163) | | (939) | | (1,992) |
| (Loss)/Profit on continuing operations before tax | | (5,133) | | 1,003 | | 6,186 |
| Discontinued operations | | | | | | |
| Profit on disposal of discontinued operations | | 4,130 | | - | | - |
| Import and distributions | - | - | 112,572 | 3,655 | 230,860 | 6,975 |
| | 66,833 | | 216,676 | | 429,459 | |
| (Loss)/Profit for the year before tax on continuing and discontinued operations | | (1,003) | | 4,658 | | 13,161 |

Notes to the interim statement (continued)

Group revenue for continuing operations disaggregated by product type

| | 31 March | 31 March | 30 September |
|----------------------------------|-----------------|------------------|--------------|
| | 2020 | Restated 2019 | 2019 |
| | US\$000 | US\$000 | US\$000 |
| <i>Import & Distribution</i> | | | |
| FMCG excluding Coffee | 29,882 | 56,413 | 94,914 |
| FMCG Coffee | 4,165 | 3,952 | 8,096 |
| FMCG Total | 34,047 | 60,365 | 103,010 |
| Metals & Minerals | 17,328 | 26,712 | 64,698 |
| Tool and Machinery | 13,861 | 15,571 | 27,795 |
| | 65,236 | 102,648 | 195,503 |
| <i>Property</i> | 1,597 | 1,456 | 3,096 |
| Total | 66,833 | 104,104 | 198,599 |

3. The other income and expense on continuing operations arises from the following:

| | 31 March | 31 March | 30 September |
|--|-----------------|------------------|--------------|
| | 2020 | Restated 2019 | 2019 |
| | US\$000 | US\$000 | US\$000 |
| a. Other income | | | |
| Fair value adjustments on investment property | - | - | 1,225 |
| Reversal of impairment on non-current asset | - | - | 42 |
| Fair value adjustments on forward foreign exchange contracts | - | - | 28 |
| Dividend income | 330 | 343 | 872 |
| Interest and other income | 825 | 463 | 845 |
| Exchange gains | 640 | 165 | 272 |
| Profit on disposal of investments | 357 | 41 | - |
| Total other income in continuing operations | 2,152 | 1,012 | 3,284 |
| Other income in discontinued operations | - | 63 | 121 |
| | 2,152 | 1,075 | 3,405 |

| | 31 March | 31 March | 30 September |
|---|-----------------|------------------|--------------|
| | 2020 | Restated 2019 | 2019 |
| | US\$000 | US\$000 | US\$000 |
| b. Other expense | | | |
| Losses on disposal | (21) | (1) | (27) |
| Exchange losses | (306) | (298) | (1,164) |
| Reorganisation costs | - | - | (57) |
| Clearing expenses | (4,789) | (6,815) | (15,879) |
| Administration and other expenses | (9,047) | (13,778) | (24,205) |
| Total other expenses on continuing operations | (14,163) | (20,892) | (41,332) |
| Other expenses in discontinued operations | - | (8,073) | (11,974) |
| | (14,163) | (28,965) | (53,306) |

Notes to the interim statement (continued)

4. Basic loss/earnings per share are based on results attributable to members and on 35,857,512 shares in issue (2019 – 35,857,512). A reconciliation of basic and headline loss/earnings is shown below.

| | 31 March | 31 March Restated | 30 September |
|--|-------------------|----------------------|--------------|
| | 2020 | 2019 | 2019 |
| | US\$ cents | US\$ cents | US\$ cents |
| Earnings per share | | | |
| Basic (loss)/earnings per share on continuing operations | (8.4) | 0.5 | 11.0 |
| Basic earnings per share on discontinued operations | - | 6.4 | 10.6 |
| Basic and fully diluted (loss)/earnings per share | (8.4) | 6.9 | 21.6 |
| Headline (loss)/earnings per share on continuing operations | | | |
| Headline (loss)/earnings per share on continuing operations | (14.3) | 0.5 | 8.5 |
| Headline earnings per share on discontinued operations | - | 6.4 | 10.6 |
| Headline (loss)/earnings per share on continuing and discontinued operations | (14.3) | 6.9 | 19.1 |
| Reconciliation between basic and headline earnings | | | |
| | 31 March | 31 March Restated | 30 September |
| | 2020 | 2019 | 2019 |
| | US\$000 | US\$000 | US\$000 |
| Basic (loss)/earnings on continuing and discontinued operations | (3,032) | 2,487 | 7,730 |
| Share of profit on discontinued operations | - | (2,292) | (3,789) |
| Basic (loss)/earnings on continuing operations | (3,032) | 195 | 3,941 |
| Reconciliation between basic and headline earnings | | | |
| Basic (loss)/earnings on continuing and discontinued operations | (3,032) | 2,487 | 7,730 |
| <i>Adjusted for:</i> | | | |
| Profit on disposal of operations after tax | (2,099) | - | - |
| Investment property revaluations | - | - | (871) |
| Recovery of impairment of non-current asset | - | - | (42) |
| Loss on disposal of non-current tangible assets | 21 | 1 | 67 |
| Headline (loss)/earnings | (5,110) | 2,488 | 6,844 |
| Reconciliation between basic and headline earnings | | | |
| Basic (loss)/earnings on continuing operations | (3,032) | 195 | 3,941 |
| <i>Adjusted for:</i> | | | |
| Profit on disposal of operations after tax | (2,099) | - | - |
| Investment property revaluations | - | - | (871) |
| Recovery of impairment of non-current asset | - | - | (42) |
| Loss on disposal of non-current tangible assets | 21 | 1 | 27 |
| Headline (loss)/earnings | (5,110) | 196 | 3,055 |

Notes to the interim statement (continued)

5. A geographical analysis of the General Portfolio of investments is as follows:

| | 31 March | 31 March | 30 September |
|--------------------------|-----------------|----------|--------------|
| | 2020 | 2019 | 2019 |
| | US\$000 | US\$000 | US\$000 |
| United States of America | 9,471 | 10,626 | 11,118 |
| United Kingdom | 6,194 | 6,825 | 6,380 |
| Europe, excluding the UK | 4,221 | 4,813 | 4,889 |
| Switzerland | 3,513 | 2,515 | 2,817 |
| Japan | 1,326 | 1,536 | 1,516 |
| South Africa | - | - | 330 |
| | 24,725 | 26,315 | 27,050 |
| Treasury bills USA | 2,000 | 2,000 | 2,000 |
| Unlisted – UK | 2,503 | 2,704 | 2,612 |
| | 29,228 | 31,019 | 31,662 |

6. Net assets per share are based on equity attributable to owners of the Company.

7. There was capital expenditure of US\$363,000 during the period (2019 – US\$649,000). There was no contracted or outstanding authorised capital expenditure at the reporting date.

United Kingdom

29 June 2020

Sponsor: Sasfin Capital (a member of the Sasfin Group)