Marshall Monteagle PLC
(Incorporated in Jersey)
(Registration number: 102785)
(External registration number: 2010/024031/10)
JSE Code: MMP   ISIN: JE00B5N88T08
("Marshall Monteagle" or "the Company" or "the Group")

Provisional announcement of reviewed results for the year ended 30th September 2016 and proposed dividend declaration

Introduction

The Directors report satisfactory results for the year ended 30th September 2016, a year characterised by stiff currency headwinds and a challenging economic environment.

Marshall Monteagle's objective is to achieve capital growth internationally and pay a steadily progressive dividend over the long term from a diversified range of investments. The Group holds portfolios of leading investments in the U.S.A., U.K., Europe and the Far East as well as commercial properties in the U.S.A. and South Africa. The Group's import and distribution businesses operate internationally and in South Africa include interests in food processing and logistics.

Results of continuing operations

- Group revenue for the twelve months to 30th September 2016 decreased by 7% to US$ 241,933,000 compared to US$259,133,000. Had currencies remained constant sales would have increased by 11%.
- Group profit before tax decreased by 15% to US$8,276,000 from US$9,727,000. The decrease in margins on trading was partially offset by a gain of US$2,300,000 on the disposal of investment property. Investment property revaluations were lower, US$918,000 compared with US$2,313,000 the previous year, reflecting the reduction in the investment property portfolio.
- Headline earnings per share decreased 75% to 2.3 US cents (2015 – 9.3 US cents) as a result of the matters mentioned above.
- The Directors are proposing a second interim (final) dividend of 1.9 US cents, (2015 – 1.8 US cents) making a total of 3.7 US cents (2015 – 3.6 US cents) for the year. Details and salient dates of the dividend will be published early in the new year.
- Net assets attributable to shareholders increased by 7% from US$62,864,000 (US$1.75per share) to US$67,195,000 (US$1.87per share) at 30th September 2016, due to successful investment strategies and a comparable Rand exchange rate at the reporting dates. US$1.32 of net assets per share – 71% (2015 – 57%) are held in Europe, U.S.A. and the Middle East. The remaining assets, equivalent to US$0.55 per share – 29% (2015 – 43%) are held in South Africa.

Import and Distribution

Our import and distribution businesses in food and household consumer products continue to perform well in a constantly changing and challenging consumer environment. Multiple retailers continue to apply pressure on their international supplier base and we are constantly reviewing our supply-chain to ensure that we remain the most cost effective solution from factory to shelf. During the twelve month period under review we experienced extremely volatile currency movements and raw material pricing, but we are well positioned to navigate these exogenous factors. This division continues to provide procurement, supply chain and risk management services to multiple retailers, wholesalers and manufacturers in Southern and Central Africa, South America, the Middle East and China. We remain committed to working with suppliers of quality raw materials, skilled technologists and first world production facilities.

Our Metals and Minerals business continues to make extremely good progress and we are developing new partnerships with miners in Southern Africa and end users on an international basis. During the first half of the financial year under review we witnessed a total meltdown in commodity prices, specifically metals, minerals and energy products, placing these commodities at 16 year lows. As a result, even the most experienced global trading companies were totally overwhelmed by market forces beyond their control and many marginal players were forced out of business. A major global rebalancing of supply and demand has taken place during the second six months with commodity prices improving significantly over this period. This division provides fully integrated logistics, marketing, finance and shipping services to the Southern African mining industry and is placing significant focus on chrome and manganese. 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.

Import and Distribution (continued)

Our Tool & Machinery import and distribution businesses had a disappointing year mainly due to the restructure and sale of a non-profitable subsidiary. The South African market remains subdued and highly competitive. We do not expect to see an improvement in the short term. Following the restructuring of this business, it is expected to return to profit in 2017. Our Australian business incurred a loss prior to sale of US$304,000 (2015 full year – US$434,000) and a loss of US$474,000 was incurred on the sale.

Investment Portfolio

Our investment portfolios continue to perform well and now include our unlisted investment in Heartstone Inns Ltd following the capital reduction and distribution of these shares by our former associated company Halogen Holdings plc. We continue to hold a concentrated list of quality listed international equities that we believe will outperform the market in the long term. These listed investments had a market value at the year-end of US$23,169,000 (2015 – US$20,042,000).

Property Portfolio

During 2016 we completed the sale of six properties in Durban, South Africa and the sale of five properties in Cape Town, South Africa for the gross amount of $8,848,000. The gain on the sale amounted to $2,300,000 and the net proceeds are earmarked for further property in the USA. There are no plans to dispose of any more investment properties, other than the sale mentioned below which completed after the year end. The Group's remaining commercial and light industrial property portfolio had a satisfactory year despite an ailing economy in South Africa. The secured loan on our property in San Diego has been repaid early and a new secured loan of US$6,300,000 has been drawn down, at a reduced interest rate of 3.6% (previously 6%) fixed for 10 years.

Events after the Reporting Date

On 1 November, 2016, an investment property in Cape Town, South Africa was disposed of for $1,208,000 which was settled in cash. The property was valued at $1,189,000 and post-tax profit attributable to the investment property was $46,000 for the year ended 30 September 2016.

Dividend

The directors are proposing a second interim (final) dividend of 1.9 US cents, (2015 – 1.8 US cents) making a total of 3.7 US cents (2015 – 3.6 US cents) for the year. Details and salient dates of the dividend will be published early in the new year.

Changes to the Board

It was with great sadness that we announced on 23rd November 2016, the death of Mr L.H. Marshall. He was a highly valued member of the management team who brought a wealth of experience, knowledge and common sense to the Group along with strong principles. Mr E.J. Beale will provide cover for the role of Finance Director for an interim period.

Group Personnel

These results could not have been achieved without the hard work of all our employees and the Board thank them most sincerely for their efforts and contribution during the year.

Prospects

We expect that the year ahead will bring further uncertainty to global markets and continuing commodity and exchange rate volatility. The Board remain comfortable that our strong balance sheet and cautious approach to business will enable us to continue to prosper.

Any reference to the Group's future financial performance included in this announcement has not been reviewed nor reported on by the Company's auditors.

E. J. Beale	**D.C. Marshall**
Chairman	Chief Executive

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30th September		**2016 Reviewed US$000**	2015 Audited US$000
Continuing operations			
Profit or Loss:			
Group revenue	**1**	**241,933**	259,133
Other income	**2**	**5,588**	3,646
		247,521	262,779
(Decrease)/Increase in inventories of finished goods and work in progress		**(4,220)**	6,614
Purchases of finished goods, raw materials and consumables		**(187,762)**	(213,976)
Employee benefit expenses		**(14,259)**	(15,055)
Depreciation and amortisation expenses		**(744)**	(802)
Other expenses	**3**	**(29,789)**	(27,479)
Share of associated companies results		**31**	(16)
Finance expense		**(2,502)**	(2,338)
Profit before tax	**1**	**8,276**	9,727
Taxation		**(2,992)**	(2,627)
Profit for the year on continuing operations		**5,284**	7,100
Discontinued operations			
Loss after tax of discontinued operations	**4**	**(304)**	(434)
Loss on disposal of discontinued operations	**4**	**(474)**	-
Profit for the year		**4,506**	6,666
Profit attributable to owners of the parent		**3,153**	4,819
Profit attributable to non-controlling interests		**1,353**	1,847
Basic and fully diluted earnings per share (US cents)	**5**	**8.8c**	13.4c
Basic and fully diluted earnings per share (US cents) – continuing activities	**5**	**10.5c**	14.0c
Other Comprehensive (Expense)/Income :-			
Items that may be reclassified subsequently to profit and loss :-			
Exchange differences on translation into US Dollars of the financial statements of foreign entities		**(369)**	(7,441)
Reclassification of previously recognised exchange losses on disposal of Australian operations		**157**	-
Unrealised gain on revaluation of available for sale investments		**3,185**	(487)
Less applicable tax		**(365)**	73
Reclassification of previously recognised profits on disposal of available for sale investments		**(40)**	(149)
Total of items that may be reclassified		**2,568**	(8,004)
Items that will not be reclassified subsequently to profit and loss :-			
Commercial property fair value adjustments		**236**	363
Less applicable tax		**(114)**	(41)
Share of associated company's other comprehensive income		**-**	444
		122	766
Total Other Comprehensive Expense		**2,690**	(7,238)
Total Comprehensive Income		**7,196**	(572)
Total Comprehensive Income attributable to owners of the parent		**5,618**	(816)
Total Comprehensive Income attributable to non-controlling interests		**1,578**	244

Condensed 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
Year ended 30th September 2015							
Profit after tax	-	-	4,879	(60)	4,819	1,847	6,666
Other Comprehensive Expense	-	-	(5,635)	-	(5,635)	(1,603)	(7,238)
Total Comprehensive Income	-	-	(756)	(60)	(816)	244	(572)
Transactions with shareholders							
Dividends paid	-	-	-	(1,291)	(1,291)	(1,116)	(2,407)
Balances at start of year	8,964	23,606	(105)	32,506	64,971	9,448	74,419
Balances at end of year	8,964	23,606	(861)	31,155	62,864	8,576	71,440
Year ended 30th September 2016							
Profit after tax	**-**	**-**	**(4,323)**	**7,476**	**3,153**	**1,353**	**4,506**
Other Comprehensive Expense	**-**	**-**	**2,465**	**-**	**2,465**	**225**	**2,690**
Total Comprehensive Income	**-**	**-**	**(1,858)**	**7,476**	**5,618**	**1,578**	**7,196**
Transactions with shareholders							
Disposal of interests (note 4)	**-**	**-**	**-**	**-**	**-**	**(633)**	**(633)**
Dividends paid	**-**	**-**	**-**	**(1,287)**	**(1,287)**	**(1,519)**	**(2,806)**
Balances at start of year	**8,964**	**23,606**	**(861)**	**31,155**	**62,864**	**8,576**	**71,440**
Balances at end of year	**8,964**	**23,606**	**(2,719)**	**37,344**	**67,195**	**8,002**	**75,197**

Condensed Consolidated Statement of Financial Position

at 30th September	Note	2016 Reviewed US$000	2015 Audited US$000
Assets			
Non-current assets			
Investment property		**20,460**	27,472
Property, plant and equipment		**9,237**	8,919
Goodwill		**180**	179
Intangible assets		**523**	521
Deferred taxation		**1,559**	1,140
Investment in associated companies	**6**	**185**	2,383
Investments	**7**	**25,382**	20,042
		57,526	60,656
Current assets			
Inventories		**24,051**	28,859
Accounts receivable		**41,697**	38,277
Other financial assets		**326**	551
Tax recoverable		**359**	158
Cash and bank balances		**30,916**	18,644
		97,349	86,489
Investment property held for sale	**8**	**1,189**	-
Total assets		**156,064**	147,145
Current liabilities			
Financial liabilities		**(59,546)**	(55,514)
Other financial liabilities		**(848)**	(293)
Financial liabilities secured on the investment property held for sale	**8**	**(251)**	-
Tax payable		**(1,777)**	(1,903)
Total current liabilities		**(62,422)**	(57,710)
Net current assets		**36,116**	28,779
Total assets less current liabilities		**93,642**	89,435
Non-current liabilities			
Financial Liabilities		**(12,351)**	(11,671)
Deferred taxation		**(6,094)**	(6,324)
		75,197	71,440
Capital and reserves			
Called up share capital		**8,964**	8,964
Share premium account		**23,606**	23,606
Other reserves		**(2,719)**	(861)
Retained earnings		**37,344**	31,155
Equity attributable to owners of the parent		**67,195**	62,864
Non-controlling interests		**8,002**	8,576
		75,197	71,440

Condensed Consolidated Statement of Cashflow

for the year ended 30th September	2016 Reviewed US$000	2015 Audited US$000
Profit for the year	**4,506**	6,666
Adjustments		
Taxation	**2,992**	2,627
Loss on disposal of discontinued operations	**474**	-
Depreciation	**753**	835
Share of associates	**(31)**	16
Finance expense	**2,502**	2,338
Other income	**(5,589)**	(3,646)
Other expense – fair value adjustments and losses on disposal	**343**	248
	5,950	9,084
Changes in working capital		
Decrease/(increase) in inventories	**3,770**	(5,800)
Decrease/(increase) in receivables	**3,612**	(6,976)
(Decrease)/increase in payables	**(3,687)**	11,606
Cash generated by operations	**9,645**	7,914
Finance expense	**(2,502)**	(2,338)
Taxation paid	**(3,904)**	(1,544)
Cash inflow from operating activities	**3,239**	4,032
Investment activities		
Purchase of and improvements to tangible non-current assets	**(2,241)**	(2,705)
Proceeds of disposal of tangible assets	**9,737**	84
Acquisition of investments	**(613)**	(2,088)
Proceeds of disposal of investments	**446**	1,165
Cashflow on disposal of discontinued operations	**(62)**	-
Dividends received	**556**	519
Interest received	**1,004**	712
Cash inflow/(outflow) from investment activities	**8,827**	(2,313)
Cash inflow before financing	**12,066**	1,719
Financing activities		
Drawdown of new long term loans	**6,300**	2,820
Repayment of long term loans	**(5,098)**	(1,667)
Dividends paid – Group shareholders	**(1,287)**	(1,291)
Dividends paid – non-controlling interests of subsidiaries	**(1,518)**	(1,116)
Cash outflow from financing activities	**(1,603)**	(1,254)
Increase in cash and cash equivalents	**10,463**	465
Cash and cash equivalents at 1st October	**10,068**	10,340
Effect of foreign exchange rate changes	**13**	(737)
Cash and cash equivalents at 30th September	**20,544**	10,068

EXPLANATORY NOTES

1) SEGMENTAL REPORTING

For management purposes the Group is organised on a worldwide basis into the following main business segments grouped by similar businesses and services:

Import and distribution	Trade in tools, food and household consumer products primarily imports to, and exports from, South Africa.
Property	Investment properties in U.S.A. and South Africa.
Investments in associated companies	Companies involved in marketing and merchandising.
Excluded from the segmental analysis are other activities	Mainly transactions relating to the share portfolios, profits on disposals of tangible and intangible non-current assets local head office costs, and interest.

There are no sales between business segments and businesses carrying out similar trade and services are grouped in the same segments.

	2016		2015	
Segmental analysis of results	**Revenue**	**Result**	Revenue	Result
	US$000	**US$000**	US$000	US$000
Import and distribution *	**238,869**	**5,858**	255,184	8,477
Property	**3,064**	**871**	3,949	1,613
Share of associated companies results	**-**	**31**	-	(16)
Continuing operations	**241,933**	**6,760**	259,133	10,076
Discontinued operations				
Import and distribution - Australia	**526**	**(308)**	1,462	(420)
Property - Australia	**-**	**(5)**	-	(12)
	242,459	**6,447**	260,595	9,642
Loss on disposal		**(474)**		
Other Expense		**(1,572)**		(1,667)
Other Income		**5,590**		3,659
Finance expense		**(2,502)**		(2,338)
Taxation		**(2,983)**		(2,630)
Profit for the year		**4,506**		6,666

* Includes sales to the Group's major customers representing 10% or more of Group revenue:

	2016	2015
	US$000	US$000
Company A	130,144	133,074
Company B	26,761	37,598

1) SEGMENTAL REPORTING (continued)

Segment assets consist of property, plant and equipment, inventories and receivables and exclude cash balances. Segment liabilities are operating liabilities and exclude items such as taxation and borrowings. Unallocated assets and liabilities are investments, holding company assets and liabilities, cash balances, taxation and borrowings. Capital expenditure comprises additions to property, plant and equipment.

	Assets US$000	Liabilities US$000	Net assets/ (liabilities) US$000	Capital expenditure US$000	Depreciation charge US$000
Segmental analysis of net assets 30th September 2016					
Import and distribution	**73, 467**	**(47,800)**	**25,667**	**1,874**	**755**
Property	**23,450**	**(1,094)**	**22,356**	**367**	**8**
Investment in associated companies	**185**	**-**	**185**	**-**	**-**
Unallocated (including cash, tax and debt)	**58,962**	**(31, 973)**	**26,989**	**-**	**-**
Continuing operations	**156,064**	**(80,867)**	**75,197**	**2,241**	**763**
Discontinued operations:-					
Import and distribution	**-**	**-**	**-**	**-**	**9**
Property	**-**	**-**	**-**	**-**	**5**
Consolidated total	**156,064**	**(80,867**	**75,197**	**2,241**	**777**
Segmental analysis of net assets 30th September 2015					
Import and distribution	72,375	(47,314)	25,061	2,439	797
Property	28,440	(963)	27,477	265	12
Investment in associated companies	2,230	-	2,230	-	-
Unallocated (including cash, tax and debt)	41,711	(27,013)	14,698	-	-
Continuing operations	144,756	(75,290)	69,466	2,704	809
Discontinued operations:	1,450	(414)	1,036	1	26
Property	893	(1)	892		
Unallocated	46	-	46		
Consolidated total	147,145	(75,705)	71,440	2,705	835

The Group operates in the following geographic areas.

Europe	Location of part of the Group's import and distribution business, the non-trading parent company and most of the Group's investment portfolio.
Australia	Previously location for part of the Group's import and distribution business
Middle East	Location for part of the Group's import and distribution business.
United States	Part of the Group's property portfolio and some of the Group's investment portfolio are located here.
South Africa	Location of the bulk of the Group's import and distribution business and part of the Group's property portfolio.

	2016			2015		
	Group Revenue US$000	**Total Net assets US$000**	**Capital expenditure US$000**	Group Revenue US$000	Total net assets US$000	Capital expenditure US$000
Europe	**30,779**	**27,773**	**-**	36,867	22,421	-
Middle East	**1,526**	**504**	**2**	4,829	591	-
United States	**1,187**	**15,986**	**295**	1,139	10,821	223
Total outside South Africa	**33,492**	**44,263**	**297**	42,835	33,833	223
South Africa	**208,441**	**30,934**	**1,944**	216,288	35,925	2,481
Total continuing operations	**241,933**	**75,197**	**2,241**	259,123	69,758	2,704
Australia	**526**	**-**	**-**	1,472	1,682	1
Total	**242,459**	**75,197**	**2,241**	260,595	71,440	2,705

Total assets (before non-controlling interests) and capital expenditure are shown by the geographical area in which the assets are located.

	2016 **US$000**	2015 US$000
2) OTHER INCOME		
Investment property revaluations	**1,002**	2,313
Gain on disposal of investment property	**2,300**	-
Gain on disposal of non-current tangible assets	**24**	-
Recovery of impairment on non-current asset	**20**	-
Fair value adjustments on derivative instruments	**1**	1
Dividend income	**556**	519
Interest income and other income	**1,072**	708
Exchange gains	**590**	-
Profit on disposal of investments	**23**	105
Total income – continuing operations	**5,588**	3,646
Other income – discontinued operations	**2**	13
	5,590	3,659

3) OTHER EXPENSES

	2016 **US$000**	2015 US$000
Revaluation of investment property	**(84)**	-
Loss on disposal of investments	**(18)**	-
Fair value adjustments on tangible assets and listed investments	**(36)**	(31)
Fair value adjustment on unlisted investment	**(200)**	-
Impairment of property, plant and equipment	**-**	(215)
Loss on disposal of non-current tangible assets	**(5)**	(2)
Fair value adjustments and losses on disposal	**(343)**	(248)
Exchange losses	**(5)**	-
Administration and other expenses	**(29,441)**	(27,231)
	(29,789)	(27,479)
Administration and other expenses include :-		
Operating lease costs		
Premises	**1,322**	1,417
Plant, equipment and vehicles	**40**	64
Auditors’ fees of the Company and its subsidiaries		
Audit related	**412**	456
Other	**3**	11

4) DISPOSAL OF AUSTRALIAN OPERATIONS

The Group sold its Australian operations, Queensland Tool and Machinery Distributors (Pty) Ltd (owned 50.1%) and QTM Property Holdings Ltd (owned 50.1%) during the year.

Detail of disposal	US$000
Property, plant and equipment	1,132
Inventories	1,427
Accounts receivable	255
Cash	61
Accounts payable	(1,196)
Deferred tax	(94)
Less minority interests	(633)
Net disposal	952
Proceeds	(478)
Loss on disposal	474

The disposal proceeds are repayable over 4 years, in equal annual instalments from 1 April 2017, or at any time in full. Interest is payable at 3% p.a. on the balance outstanding.

4) DISPOSAL OF AUSTRALIAN OPERATIONS (continued)

The results of operations to the date of disposal, and the comparative amounts for the prior year, included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income were:

	2016 US$000	2015 US$000
Revenue	**526**	1,462
Expenses	**(839)**	(1,894)
Loss before tax	**(313)**	(432)
Taxation	**9**	(3)
Loss after tax	**(304)**	(435)
Loss attributable to owners of the parent	**(152)**	(218)
Loss attributable to non-controlling interests	**(152)**	(217)

Cashflows from discontinued operations

	2016 US$000	2015 US$000
Cashflows from :-		
Operating activities	**(377)**	(351)
Investing activities	**31**	14
Financing activities	**357**	119)
Net cash inflows/(outflows)	**11**	(218)

5) EARNINGS PER SHARE

	2016	2015
Basic earnings per share	**8.8c**	13.4c
Basic (loss) per share on discontinued operations	**(1.7)c**	(0.6)c
Basic earnings per share on continuing operations	**10.5c**	14.0c
Headline earnings per share	**1.9c**	8.7c
Headline earnings per share on continuing operations	**2.3c**	9.3c
Headline earnings per share on discontinued operations	**(0.4)c**	(0.6)c

Reconciliation of basic earnings on continuing operations	**US$000**	US$000
Basic earnings on continuing and discontinued operations	**3,153**	4,819
Share of losses of discontinuing operations	**152**	218
Loss on disposal of discontinuing operations	**474**	-
Basic earnings on continuing operations	**3,779**	5,037

Earnings per share and headline earnings per share are based on the result attributable to shareholders of the Company and on the weighted average of shares in issue 35,857,512 (2014 – 35,857,512).

Reconciliation between basic and headline earnings per share	**US$000**	US$000
Basic earnings on continuing and discontinued operations	**3,153**	4,819
Adjusted for:		
Gain on disposal if investment property, net of tax of US$46,000	**(2,346)**	-
Investment property revaluation, net of tax effect of US$196,000 (US$501,000)	**(722)**	(1,812)
Loss on disposal of Australian operations, including previously recognised exchange losses of US$157,000	**474**	-
(Recovery of)/Provision for impairment of non-current assets	**(20)**	246
Reclassification of previously recognised gains on disposal of available for sale investments	**(40)**	(149)
Effect of change in rate of tax	**185**	-
(Profit)/Loss on disposal of non-current tangible assets	**(19)**	2
Headline earnings	**665**	3,106

5) EARNINGS PER SHARE (continued)

Reconciliation between basic and headline earnings per share on continuing operations	US$000	US$000
Basic earnings on continuing operations	**3,779**	5,037
Adjusted for:		
Gain on disposal if investment property, net of tax of US$46,000	**(2,346)**	-
Investment property revaluation, net of tax effect of US$196,000 (US$501,000)	**(722)**	(1,812)
(Recovery of)/Provision for impairment of non-current assets	**(20)**	246
Reclassification of previously recognised gains on disposal of available for sale investments	**(40)**	(149)
Effect of change in rate of tax	**185**	-
(Profit)/Loss on disposal of non-current tangible assets	**(19)**	2
Headline earnings – continuing operations	**817**	3,324

6) INVESTMENTS IN ASSOCIATED COMPANIES

The group no longer has an investment in its associate, Halogen Holdings PLC following a distribution by Halogen of all of its investment in Heartstone Inns Ltd ("Heartstone") to Halogen's shareholders as part of a capital reduction. As a result the Group has an investment of 15% of Heartstone, which is disclosed as an unlisted investment.

7) INVESTMENTS

Investments include listed investments with a fair value of US$ 23,169,000 (2015 – US$ 20,042,000) and the unlisted investment in Heartstone with a fair value of US$ 2,213,000 (2015 – nil).

The unlisted investment in Heartstone is carried at fair value which is calculated based on the net asset value per share less a discount of 10% to take into account the illiquidity of this holding in a private company. A change in the discount percentage of 5% would change the fair value by US$121,000. The Group owns 1,641,309 Ordinary Shares in Heartstone representing 15% of its issued Ordinary Shares. Heartstone prepares accounts to 31 December in Pounds Sterling and its latest published audited financial statements for 2015 showed the following key performance indicators:

	2015 £'000	2014 £'000
Revenue	**8,212**	6,474
Gross Profit	**2,731**	2,083
Pub EBITDA	**1,361**	1,021
Pub EBITDA Margin	**16.6%**	15.8%
Company adjusted EBITDA	**767**	527
Company EBITDA Margin	**9.3%**	8.1%
Property, plant and equipment	**18,016**	15,409
Net debt	**3,490**	2,051
Net debt/property, plant and equipment	**19.4%**	13.3%

Company adjusted EBITDA represents operating profit before interest, tax, revaluation/impairments, depreciation, amortisation, gains on sale of non-current assets and exceptional costs. Pub EBITDA represents operating profit of the pub estate and has been calculated as company adjusted EBITDA after adding back the company's head office costs.
The value of property, plant and equipment is supported by an independent professional valuation.

This is the only financial asset valued using a Level 3 fair value measurement approach. The cost was US$2,413,000 and a fair value adjustment of US$200,000 has been made against this fair value.

8) NON-CURRENT ASSETS HELD FOR SALE

On 1 November 2016, an investment property in Cape Town, South Africa, was disposed of for US$1,208,000 which was settled in cash. The property was valued at US$1,189,000 and post tax profit attributable, to be accounted for in the year ended September 2016, was US$46,000.

9) FINANCIAL INSTRUMENTS

The categories of financial instruments used by the Company are:

	2016 US$000	2015 US$000
Financial assets		
Available for sale carried at fair value		
Investments – listed	**23,169**	20,042
- unlisted	**2,213**	-
	25,382	20,042
Carried at fair value through profit & loss		
Forward foreign exchange contracts	**70**	135
Loans and accounts receivable at amortised cost		
Accounts receivable	**41,697**	38,641
Cash at bank	**30,916**	18,644
	72,613	57,285
Financial liabilities		
Carried at amortised cost		
Trade and other payables - current	**49,199**	47,231
- non-current	**12,048**	11,671
Bank overdrafts	**10,372**	8,576
	71,619	67,478
Carried at fair value through profit or loss		
Forward foreign exchange contracts	**739**	-

Fair Value hierarchy

IFRS13 requires disclosure of fair value measurements under the following hierarchy:
Listed prices (unadjusted) in active markets for identical assets or liabilities – Level 1
Inputs other than listed prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) – Level 2
Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) – Level 3
The level of fair value hierarchy within the asset or liability is categorised is determined on the basis of the lower input that is significant to the fair value measurement. Financial assets and liabilities are classified in their entirety into one of the three levels.

Listed investments are stated at fair value based on listed prices in active markets and are considered Level 1 financial instruments.

The unlisted investment is carried at fair value and considered Level 3. The detail of the fair value assessment is set out in note 6 above. There are no other financial assets or liabilities which are measured using a Level 3 approach.

Foreign exchange contracts are considered Level 2 financial instruments. Fair value is determined by market value quotes received from independent financial institutions.

Accounts receivable and accounts payable due within one year are carried at amortised cost which approximates to their fair values at the year-end.

The carrying value of bank loans payable in more than one year approximates to their fair values. This is due to the loans all attracting market related interest rates, and thus the effect of discounting (using a market rate interest rate) when applying the effective interest rate method would result in no real difference between the fair value determined and the carrying value of the bank loans.

10) SECURED LIABILITIES

Overdrafts of US$10,372,000 (2015 - US$8,576,000) are included in current liabilities. Group long-term financial liabilities are secured on various properties and bear interest at commercial rates.

11) CAPITAL COMMITMENTS

Group capital expenditure in the year was US$2,241,000 (2015 – US$2,705,000). There were no capital expenditure commitments at 30th September 2016 (2015 – nil).

12) BASIS OF PREPARATION

This provisional report has been prepared in accordance with the framework, concepts and the measurement and recognition requirements of International Financial Reporting Standards, applicable legal and regulatory requirements of The Companies (Jersey) Law, 1991, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listing Requirements of the JSE Limited , the financial reporting guides issued by the Accounting Practices Committee of the South African Institute of Chartered Accountants (the “SAICA Financial Reporting Guides”) and contains the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in this provisional announcement are consistent with those adopted and disclosed in the Group's annual report for the year ended 30th September 2015.

Responsibility Statement

The directors take full responsibility for the preparation of the provisional report and the financial information has been correctly extracted from the underlying annual financial statements.

Review Report

This provisional report for the year ended 30 September 2016 was prepared under the supervision of the Chairman, Mr E J Beale, following the death of the Finance Director, Mr L H Marshall, and has been reviewed by the Company's auditor, Saffery Champness, who expressed an unmodified review conclusion thereon. The review opinion is available for inspection at the registered office of the Company. The audited annual report will be mailed to shareholders in early 2017.

22 December 2016
Johannesburg

Sponsor
Sasfin Capital (a division of Sasfin Bank Limited)