

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 reviewed results for the year ended 30th September 2017 and proposed dividend declaration

Chairman's Statement

As an Investment Company, Marshall Monteagle has a broad and diversified range of investments in both listed international companies, and in trading and property owning subsidiary companies. Our objective is to invest for the long term to generate reliable profits, cash flow and dividends for our shareholders and thereby achieve capital growth for the benefit of all our stakeholders. 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.

It was with great sadness that we announced, on 23rd November 2016, the death of Lloyd 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. Shareholders will recall that following his tragic death, the Board of Directors was reorganised; Edward Beale, our non-executive chairman was appointed as Group Financial Director and I was appointed in his place as Non-Executive Chairman with effect from 11th April 2017.

A good deal of our trading profit comes from Southern Africa and neighbouring territories. In recent years we have made substantial human investment with the intention of diversifying our international trading base, enabling us to represent our world-wide suppliers in other countries.

We believe that our balance sheet strength gives confidence not only to our suppliers, tenants and customers, but also importantly, to our staff. The Group's results could not have been achieved without the hard work of all our employees and on behalf of the Board, I would like to thank them for their continued contribution and dedication.

We expect the year ahead will bring further uncertainty to global markets and continuing commodity and exchange volatility risk. However, with our strong capital structure and flexible investments strategy, we face the future with cautious confidence.

Business Review

The Directors are pleased to report excellent results for the year ended 30th September 2017.

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.

Results of continuing operations

- Group revenue for the twelve months to 30th September 2017 increased by 41% to US\$340,052,000 compared to US\$241,933,000. Had currencies remained constant sales would have increased by 30%. This significant increase in sales volumes in our import and distribution businesses (see below) has resulted in increases in inventories to support the additional volumes, increases in accounts receivables and financial liabilities from higher sales and purchases in the final quarter and a decrease in cash and cash equivalents to fund the additional working capital requirement.
- Group profit before tax increased by 26% to US\$10,401,000 from US\$8,276,000. Investment property revaluations were lower, US\$273,000 compared with US\$918,000 the previous year.
- Headline earnings per share on continuing business increased 448% to 12.6 US cents (2016 – 2.3 US cents) as a result of the matters mentioned above.
- The Directors are proposing a final dividend of 1.9 US cents, (2016 – 1.9 US cents) making a total of 3.7 US cents (2016 – 3.7 US cents) for the year. Full details of the dividend will be published on 22 December 2017.
- Net assets attributable to shareholders increased by 9% from US\$67,195,000 (US\$1.87 per share) to US\$73,257,000 (US\$2.04 per share) at 30th September 2017, due to successful investment strategies and a comparable Rand exchange rate at the reporting dates. US\$1.65 of net assets per share – 81% (2016 – 71%) are held in Europe, U.S.A. and the Middle East. The remaining assets, equivalent to US\$0.39 per share – 19% (2016 – 29%) 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. This has been the main contributor to the increase in the Group's turnover in the year. Once again it has been a year of extreme volatility in the minerals space with market prices moving down to extremely low levels during the first two quarters, climbing significantly throughout the third quarter and then falling again during the fourth quarter. 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.

During the year under review our Tool & Machinery import and distribution business completed the disposal of their non-profitable subsidiary as well as the restructuring of the industrial compressor division. Trading conditions remain challenging, however after the restructuring the company has returned to profit. We are well placed to increase our profitability in 2018.

Investment Portfolio

Our investment portfolios continue to perform well. 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\$25,369,000 (2016 – US\$23,169,000).

Property Portfolio

Last year the Group disposed of a number of properties in South Africa representing about 30% of our total investment property portfolio by value. Following the completion of the delayed sale on one property which completed on 1st November 2016, the property portfolio has been stable this year and the remaining properties have continued to perform well.

Dividend

The directors are proposing a final dividend of 1.9 US cents, (2016 – 1.9 US cents) making a total of 3.7 US cents (2016 – 3.7 US cents) for the year. Full details of the dividend will be published on 22 December 2017. The salient dates are as follows:

Last day to trade	Tuesday 9 January 2018
Shares trade ex dividend	Wednesday 10 January 2018
Record date	Friday 12 January 2018
Pay date	Monday 22 January 2018

No dematerialisation or rematerialisation of share certificates, nor transfer of shares between the registers in Jersey and South Africa will take place between Wednesday 10 January 2018 and Friday 12 January 2018, both dates inclusive.

By order of the Board
City Group P.L.C
Company Secretary

21 December 2017

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th September

		2017 Reviewed US\$000	2016 Audited US\$000
Continuing operations			
Profit or Loss			
Group revenue	1	340,052	241,933
Other income	2	3,269	5,588
		<u>343,321</u>	<u>247,521</u>
Increase/(Decrease) in inventories of finished goods and work in progress		4,938	(4,220)
Purchases of finished goods, raw materials and consumables		(283,940)	(187,762)
Employee benefit expenses		(16,221)	(14,259)
Depreciation expenses		(927)	(744)
Other expenses	3	(34,490)	(29,789)
Share of associated companies results		36	31
Finance expense		(2,316)	(2,502)
Profit before tax		<u>10,401</u>	<u>8,276</u>
Taxation		(2,902)	(2,992)
Profit for the year on continuing operations		<u>7,499</u>	<u>5,284</u>
Discontinued operations			
Loss after tax of discontinued operations		-	(304)
Loss on disposal of discontinued operations		-	(474)
Profit for the year	1	<u>7,499</u>	<u>4,506</u>
Profit attributable to owners of the parent		4,985	3,153
Profit attributable to non-controlling interests		2,514	1,353
Basic and fully diluted earnings per share (US cents)	4	13.9c	8.8c
Other Comprehensive Income: -			
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</i>		453	(369)
<i>Reclassification of previously recognised exchange losses on disposal of Australian operations</i>		-	157
<i>Unrealised gain on revaluation of available for sale investments</i>		2,093	3,185
<i>Less applicable tax</i>		(223)	(365)
<i>Reclassification of previously recognised profits on disposal of available for sale investments</i>		(89)	(40)
Total of items that may be reclassified		<u>2,234</u>	<u>2,568</u>
Items that will not be reclassified subsequently to profit and loss: -			
<i>Commercial property fair value adjustments</i>		510	236
<i>Less applicable tax</i>		(85)	(114)
		<u>425</u>	<u>122</u>
Total Other Comprehensive Income		<u>2,659</u>	<u>2,690</u>
Total Comprehensive Income		<u>10,158</u>	<u>7,196</u>
Total Comprehensive Income attributable to owners of the parent		7,388	5,618
Total Comprehensive Income attributable to non-controlling interests		2,770	1,578

Condensed Consolidated Statement of Changes in Equity

	Called up 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 2016							
Profit after tax	-	-	(4,323)	7,476	3,153	1,353	4,506
Other Comprehensive Income	-	-	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	-	-	-	-	-	(633)	(633)
Dividends paid	-	-	-	(1,287)	(1,287)	(1,519)	(2,806)
Balances at start of year	<u>8,964</u>	<u>23,606</u>	<u>(861)</u>	<u>31,155</u>	<u>62,864</u>	<u>8,576</u>	<u>71,440</u>
Balances at end of year	<u>8,964</u>	<u>23,606</u>	<u>(2,719)</u>	<u>37,344</u>	<u>67,195</u>	<u>8,002</u>	<u>75,197</u>
Year ended 30th September 2017							
Profit after tax	-	-	(457)	5,442	4,985	2,514	7,499
Other Comprehensive Income	-	-	2,403	-	2,403	256	2,659
Total Comprehensive Income	-	-	1,946	5,442	7,388	2,770	10,158
Transactions with shareholders							
Disposal of interests	-	-	-	-	-	-	-
Dividends paid	-	-	-	(1,326)	(1,326)	(1,732)	(3,058)
Balances at start of year	<u>8,964</u>	<u>23,606</u>	<u>(2,719)</u>	<u>37,344</u>	<u>67,195</u>	<u>8,002</u>	<u>75,197</u>
Balances at end of year	<u>8,964</u>	<u>23,606</u>	<u>(773)</u>	<u>41,460</u>	<u>73,257</u>	<u>9,040</u>	<u>82,297</u>

Condensed Consolidated Statement of Financial Position

at 30th September

		2017 Reviewed US\$000	2016 Audited US\$000
Assets			
Non-current assets			
Investment property		20,923	20,460
Property, plant and equipment		10,397	9,237
Goodwill		183	180
Intangible assets		717	523
Deferred taxation		2,293	1,559
Investment in associated companies		187	185
Investments	5	27,994	25,382
		<u>62,694</u>	<u>57,526</u>
Current assets			
Inventories		29,162	24,051
Accounts receivable	7	56,589	41,697
Other financial assets		495	326
Tax recoverable		68	359
Cash and cash equivalents	9	21,177	30,916
		<u>107,491</u>	<u>97,349</u>
Investment property held for sale	6	-	1,189
Total assets		<u>170,185</u>	<u>156,064</u>
Current liabilities			
Financial liabilities		(65,885)	(59,546)
Other financial liabilities		(146)	(848)
Financial liabilities secured on the investment property held for sale	7	-	(251)
Tax payable		(2,065)	(1,777)
		<u>(68,096)</u>	<u>(62,422)</u>
Net current assets		<u>39,395</u>	<u>36,116</u>
Total assets less current liabilities		<u>102,089</u>	<u>93,642</u>
Non-current liabilities			
Financial liabilities	7	(13,571)	(12,351)
Deferred taxation		(6,221)	(6,094)
		<u>(19,792)</u>	<u>(18,445)</u>
Net assets		<u>82,297</u>	<u>75,197</u>
Capital and reserves			
Called up share capital		8,964	8,964
Share premium account		23,606	23,606
Other reserves		(773)	(2,719)
Retained earnings		41,460	37,344
		<u>73,257</u>	<u>67,195</u>
Equity attributable to owners of the parent		<u>73,257</u>	<u>67,195</u>
Non-controlling interests		<u>9,040</u>	<u>8,002</u>
Total equity		<u>82,297</u>	<u>75,197</u>

Condensed Consolidated Statement of Cashflow

For the year ended 30th September

	2017 Reviewed US\$000	2016 Audited US\$000
Operating activities		
Profit for the year	7,499	4,506
Adjustments		
Taxation	2,902	2,992
Loss on disposal of discontinued operations	-	474
Depreciation	927	753
Share of associated companies' results	(36)	(31)
Finance expense	2,316	2,502
Other income	(3,269)	(5,588)
Other expense – fair value adjustments and losses on disposal	893	343
	<u>11,232</u>	<u>5,951</u>
Changes in working capital		
(Increase)/decrease in inventories	(4,675)	3,770
(Increase)/decrease in receivables	(14,492)	3,612
Increase/(decrease) in payables	8,171	(3,688)
Cash generated by operations	<u>236</u>	<u>9,645</u>
Finance expense	(2,316)	(2,502)
Taxation paid	(2,943)	(3,904)
Cash (outflow)/inflow from operating activities	<u>(5,023)</u>	<u>3,239</u>
Investing activities		
Purchase of and improvements to tangible non-current assets	(1,626)	(2,241)
Proceeds of disposal of tangible assets	1,452	9,737
Purchase of software	(190)	-
Acquisition of investments	(839)	(613)
Proceeds of disposal of investments	280	446
Cashflow on disposal of discontinued operations	-	(62)
Dividends received	693	556
Interest received	869	1,004
Cash inflow from investing activities	<u>639</u>	<u>8,827</u>
Cash (outflow)/inflow before financing	<u>(4,384)</u>	<u>12,066</u>
Financing activities		
Drawdown of new long-term loans	1,238	6,300
Repayment of long term loans	(56)	(5,098)
Dividends paid to Group shareholders	(1,326)	(1,287)
Dividends paid to non-controlling interests of subsidiaries	(1,732)	(1,518)
Cash outflow from financing activities	<u>(1,876)</u>	<u>(1,603)</u>
(Decrease)/Increase in cash and cash equivalents	<u>(6,260)</u>	<u>10,463</u>
Cash and cash equivalents at 1 st October	20,544	10,068
Effect of foreign exchange rate changes	53	13
Cash and cash equivalents at 30th September (see note 9)	<u>14,337</u>	<u>20,544</u>

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.

	2017		2016	
	Revenue US\$000	Profit/ (Loss) US\$000	Revenue US\$000	Profit/ (Loss) US\$000
Segmental analysis of results				
Import and distribution *	337,256	11,022	238,869	5,858
Property	2,796	421	3,064	871
Investments in associated companies	-	36	-	31
Continuing operations	<u>340,052</u>	<u>11,479</u>	241,933	6,760
Discontinued operations				
Import and distribution - Australia	-	-	526	(308)
Property - Australia	-	-	-	(5)
	<u>340,052</u>	<u>11,479</u>	<u>242,459</u>	<u>6,447</u>
Loss on disposal		-		(474)
Other expenses		(2,031)		(1,572)
Other income		3,269		5,590
Finance expense		(2,316)		(2,502)
Taxation		(2,902)		(2,983)
Profit for the year		<u>7,499</u>		<u>4,506</u>

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

	2017 US\$000	2016 US\$000
Customer A	143,623	130,144
Customer B	38,878	26,761

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	Liabilities	Net assets	Capital expenditure	Depreciation charge
	US\$000	US\$000	US\$000	US\$000	US\$000
Segmental analysis of net assets 30th September 2017					
Import and distribution	97,812	(60,690)	37,122	1,583	(921)
Property	21,611	(623)	20,988	2	(6)
Investment in associated companies	187	-	187	-	-
Unallocated (including cash, tax and debt)	50,575	(26,575)	24,000	-	-
Consolidated total	<u>170,185</u>	<u>(87,888)</u>	<u>82,297</u>	<u>1,585</u>	<u>(927)</u>

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	<u>156,064</u>	<u>(80,867)</u>	<u>75,197</u>	<u>2,241</u>	<u>763</u>
<u>Discontinued operations:</u>					
Import and distribution	-	-	-	-	9
Property	-	-	-	-	5
Consolidated total	<u>156,064</u>	<u>(80,867)</u>	<u>75,197</u>	<u>2,241</u>	<u>777</u>

Secondary Reporting Format – Geographical Segments

The Group operates in the following geographic areas.

Europe	Location for 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 (sold Aug 2016).
Middle East	Location for part of the Group's import and distribution business.
United States	Location for part of the Group's property portfolio and some of the Group's investment portfolio.
South Africa	Location for the bulk of the Group's import and distribution business and part of the Group's property portfolio.

1) SEGMENTAL REPORTING (continued)

	Group revenue US\$000	Assets US\$000	Liabilities US\$000	Non-Current assets US\$000
Segmental analysis at 30th September 2017				
Europe	66,246	52,526	(21,164)	135
Middle East	2,857	934	(434)	6
United States	1,176	26,801	(10,448)	11,290
Total outside South Africa	70,279	80,261	(32,046)	11,431
South Africa	269,773	89,924	(55,842)	20,976
Total	340,052	170,185	(87,888)	32,407
	Group revenue US\$000	Assets US\$000	Liabilities US\$000	Non-Current assets US\$000
Segmental analysis at 30th September 2016				
Europe	30,779	50,290	(22,517)	81
Middle East	1,526	779	(275)	2
United States	1,187	26,470	(10,484)	11,501
Total outside South Africa	33,492	77,539	(33,276)	11,584
South Africa	208,441	78,525	(47,591)	19,001
Total continuing operations	241,933	156,064	(80,867)	30,585
Australia	526	-	-	-
Total	242,459	156,064	(80,867)	30,585

Assets and liabilities (before non-controlling interests) are shown by the geographical area in which the assets are located. Non-current assets exclude financial instruments and deferred tax.

2) OTHER INCOME

	2017 US\$000	2016 US\$000
Investment property revaluations	494	1,002
Gain on disposal of investment property	-	2,300
Gain on disposal of non-current tangible assets	25	24
Recovery of impairment on non-current asset	37	20
Fair value adjustments on forward foreign exchange contracts	64	1
Dividend income	657	556
Interest income	869	1,004
Other income	472	68
Exchange gains	255	590
Profit on disposal of investments	396	23
Total income – continuing operations	3,269	5,588
Other income – discontinued operations	-	2
	3,269	5,590

3) OTHER EXPENSES

	2017 US\$000	2016 US\$000
Investment property revaluation	(221)	(84)
Loss on disposal of investments	-	(18)
Fair value adjustments on tangible assets and listed investments	-	(36)
Fair value adjustment on unlisted investment	-	(200)
Loss on disposal of non-current tangible assets	(18)	(5)
Fair value adjustments and losses on disposal	(239)	(343)
Exchange losses	(654)	(5)
Administration and other expenses	(33,597)	(29,441)
	(34,490)	(29,789)

3) OTHER EXPENSES (continued)

	2017 US\$000	2016 US\$000
Administration and other expenses include: -		
Operating lease costs		
Premises	2,162	1,322
Plant, equipment and vehicles	108	40
Auditors' fees of the Company and its subsidiaries		
Audit related	402	465
Other	3	3

4) EARNINGS PER SHARE

	2017	2016
Basic earnings per share	<u>13.9c</u>	<u>8.8c</u>
Basic (loss) per share on discontinued operations	-	(1.7)c
Basic earnings per share on continuing operations	<u>13.9c</u>	<u>10.5c</u>
Headline earnings per share	<u>12.6c</u>	<u>1.9c</u>
Headline earnings per share on continuing operations	<u>12.6c</u>	<u>2.3c</u>
Headline (loss) per share on discontinued operations	-	(0.4)c
Reconciliation of basic earnings on continuing operations	US\$000	US\$000
Basic earnings on continuing and discontinued operations	4,985	3,153
Share of losses of discontinuing operations	-	152
Loss on disposal of discontinuing operations	-	474
Basic earnings on continuing operations	<u>4,985</u>	<u>3,779</u>

Earnings per share and headline earnings per share are based on the result attributable to shareholders of the Group and on the weighted average of shares in issue of 35,857,512 (2016 – 35,857,512). There are no dilutive equity instruments in issue.

	2017 US\$000	2016 US\$000
Reconciliation between basic and headline earnings per share		
<i>Basic earnings on continuing and discontinued operations</i>	4,985	3,153
<i>Adjusted for:</i>		
Gain on disposal of investment property, net of tax effect of US\$88,000 (2016 – US\$46,000)	(88)	(2,346)
Investment property revaluation, net of tax effect of US\$7,000 (2016 – US\$196,000)	(229)	(722)
Loss on disposal of Australian operations, including recycled exchange losses of US\$157,000	-	474
Recovery of impairment of non-current assets	(37)	(20)
Reclassification of previously recognised gains on disposal of available for sale investments	(89)	(40)
Effect of change in rate of tax	-	185
Net profit on disposal of non-current tangible assets	<u>(7)</u>	<u>(19)</u>
Headline earnings	<u>4,535</u>	<u>665</u>

4) EARNINGS PER SHARE (continued)

	2017	2016
Reconciliation between basic and headline earnings per share on continuing operations	US\$000	US\$000
<i>Basic earnings on continuing operations</i>	4,985	3,779
<i>Adjusted for:</i>		
Gain on disposal of investment property, net of tax of US\$88,000 (2016-US\$46,000)	(88)	(2,346)
Investment property revaluation, net of tax effect of US\$7,000 (2016 - US\$196,000)	(229)	(722)
Recovery of impairment of non-current assets	(37)	(20)
Reclassification of previously recognised gains on disposal of available for sale investments	(89)	(40)
Effect of change in rate of tax	-	185
Net profit on disposal of non-current tangible assets	(7)	(19)
Headline earnings – continuing operations	<u>4,535</u>	<u>817</u>

5) INVESTMENTS

Investments include listed investments with a fair value of US\$25,369,000 (2016 – US\$23,169,000) and the unlisted investment in Heartstone Inns Ltd with a fair value of US\$2,625,000 (2016 – US\$ 2,213,000). The value of the investment in Heartstone Inns Ltd on acquisition was US\$2,413,000 and the increase in fair value in the year of US\$412,000 (2016 – decrease US\$200,000) has been included in Other comprehensive income.

The unlisted investment in Heartstone is carried at fair value which is calculated based on the net asset value per share at 30th September 2017 of US\$1.78 less a discount of 10% to take into account the illiquidity of this holding in a private company. The net asset value at 30th September 2017 is based upon management accounts but has been adjusted to reflect an increase in respect of the fair value of property plant and equipment, which is supported by an independent professional valuation. A change in the discount to net asset value by 12% would change the fair value by US\$315,000. The Group owns 1,641,309 Ordinary Shares in Heartstone representing 11.9% of its issued diluted share capital.

6) 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, accounted for in the year ended September 2017, was US\$46,000.

7) FINANCIAL INSTRUMENTS

The categories of financial instruments used by the Group are:

	Level in Fair Value hierarchy	2017 US\$000	2016 US\$000
Financial assets			
<i>Available for sale carried at fair value</i>			
Investments – listed	1	25,369	23,169
– unlisted	3	2,625	2,213
<i>At fair value through profit or loss</i>			
Forward foreign exchange contracts in Other financial assets	2	301	70
<i>Loans and accounts receivable at amortised cost</i>			
Accounts receivable	n/a	56,589	41,697
Accrued operating lease income on properties in Other financial assets	n/a	194	256
Cash at bank in Cash and cash equivalents	n/a	20,323	30,916
Money market funds in Cash and cash equivalents	n/a	854	-
Financial liabilities			
<i>At amortised cost</i>			
Trade and other payables - current – in Current financial liabilities	n/a	59,045	49,174
- non-current	n/a	13,571	12,351
Bank overdrafts in Current financial liabilities	n/a	6,840	10,372
Capitalised lease obligations in Other financial liabilities	n/a	92	109
Financial liabilities secured on the investment property held for sale	n/a	-	251
<i>At fair value through profit or loss</i>			
Forward foreign exchange contracts in Other financial liabilities	2	54	739

The fair value of forward foreign exchange contracts 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.

8) SECURED LIABILITIES

Overdrafts of US\$6,841,000 (2016 - US\$10,372,000) are included in current liabilities. Group long-term financial liabilities are secured on various properties and bear interest at commercial rates.

9) CASH AND CASH EQUIVALENTS

	2016	Exchange movements	Cash Flow movement	2017
	US\$000	US\$000	US\$000	US\$000
Cash at bank and in hand	30,916	74	(10,667)	20,323
Money market funds	-	-	854	854
	<u>30,916</u>	<u>74</u>	<u>(9,813)</u>	<u>21,177</u>
Bank overdrafts	(10,372)	(21)	3,553	(6,840)
	<u>20,544</u>	<u>53</u>	<u>(6,260)</u>	<u>14,337</u>

10) OPERATING LEASE COMMITMENTS

During the year, Monteagle Logistics Ltd has entered into a commercial property lease of a warehouse situated in Sydney Road, Durban. The lease term is 10 years and two months, with a non-cancellable period no earlier than 5 years. The remaining term of the lease is 115 months, with an annual escalation of 7.5%.

Future minimum rentals payable under the operating lease as at 30 September 2017 are as follows:

Rentals payable	US\$000
Within one year	1,385
Two to five years	6,661
More than five years	10,398
	<u>18,444</u>

11) 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, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings 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 2016.

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 2017 was prepared under the supervision of the Financial Director, Mr E.J. Beale, 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 2018.

21 December 2017
Johannesburg

Sponsor
Sasfin Capital (a member of the Sasfin Group)