MARSHALL MONTEAGLE PLC
REPORT & ACCOUNTS 2020

STRIVING FOR OPTIMUM PERFORMANCE

Marshall Monteagle

Marshall Monteagle PLC

Annual Report and Consolidated Financial Statements for the year ended 30th September 2020

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Directors

R.C. KERR, *Non-Executive Chairman* † *

Rory Kerr joined the Board in 2010 and was appointed Non-Executive Chairman on 15th May 2020. On the same date he stood down as chairman of the Remuneration Committee. He resides in Dublin and is qualified as a South African attorney, notary and conveyancer, as well as an English solicitor and an Irish solicitor (non-practising). Since 30th April 2015, when he retired from Maitland, he has been a consultant to the legal services practice of the Maitland Group of which he was a principal and a partner in the legal services practice from 1982 to 30th April 2015. Rory has been a director of a number of public and private companies and investment funds including from 1982 to 2010, Marshall Monteagle Holdings SA and its predecessors. Rory has acted as a trustee of Employee Share Incentive Plans of certain publicly listed companies and continues to act as a director of a publicly held investment company and of a number of private companies as well as a trustee or a protector of a number of family trusts.

D.C. MARSHALL, *Executive Director and Chief Executive*

David Marshall has been a Director and Chief Executive of the Company since 2009. He resides in South Africa, where he has extensive interests in listed trading, financial and property companies. In 1982 he was a founder director of the Company's predecessor which became Marshall Monteagle Holdings SA of which he was also appointed Chief Executive in 1996 and remained on its board until 2010 when it was succeeded and replaced by Marshall Monteagle PLC. In recent years, he has taken a leading role in the reorganisation and development of medium sized listed companies in the UK and overseas. He is also chairman of London Finance & Investment Group PLC and Western Selection PLC.

E. J. BEALE, *Executive Director and Financial Director*

Edward Beale was appointed to the Board on 27th February 2013. He is a member, previously chairman, of the Corporate Governance Expert Group of the UK based Quoted Companies Alliance. He is a non-executive director of London Finance & Investment Group PLC, Western Selection PLC, Brand Architekts Group plc, and Heartstone Inns Limited. He was a member of the Accounting Standards Board, the body responsible for setting accounting standards for the UK for six years to August 2014. He is a Chartered Accountant and a director of City Group PLC, the Group's Company Secretary.

B.C.B. NEWMAN, *Non-Executive Director* † *

Ben Newman is the Managing Director of IQ-EQ (Jersey) Limited ("IQ-EQ") and was appointed to the Board of the Company on 1st August 2013. On 15th May 2020, following Rory Kerr's appointment as Non-Executive Chairman and his decision to stand down as Chairman of the Remuneration Committee, Ben Newman stood down as Chairman of the Audit Committee and was appointed as Chairman of the Remuneration Committee. Ben joined IQ-EQ in 2008 and he has over 20 years' experience in the private wealth industry and treasury management. Ben is a graduate of Oxford Brookes University and holds a diploma in International Trust Management, with distinction. Ben is also a member of the Society of Trust and Estate Practitioners.

D.J. DOUGLAS, *Non-Executive Director* † *

Dean Douglas joined the Board on 16th August 2019 and on 15th May 2020 he was appointed as Chairman of the Audit Committee. He is a Director of Private Wealth at IQ-EQ (Jersey) Limited ("IQ-EQ" (Jersey) and joined IQ-EQ in 2002 having moved to Jersey from Cape Town, South Africa in 1995. He has over 24 years' experience in the private wealth industry. Dean is FCCA qualified and a full member of the ACCA since 2003. Dean is also a member of the Society of Trust and Estate Practitioners.

† Member of the Audit Committee * Member of the Remuneration Committee

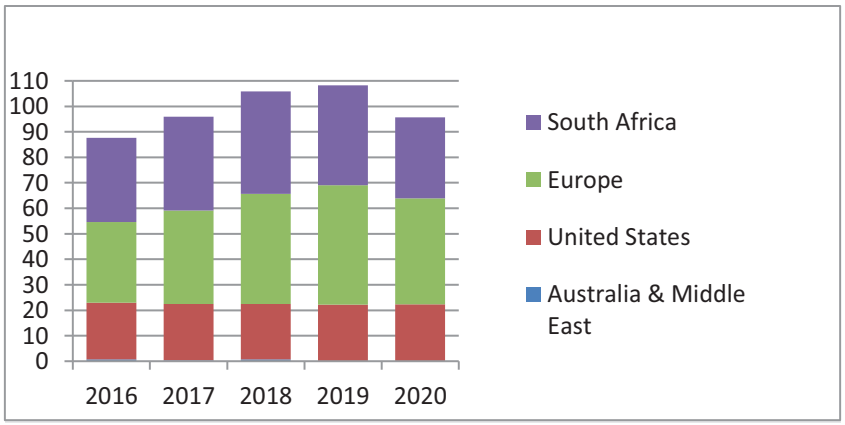
RESULTS IN BRIEF

	Group	
	2020 US$000	2019 US$000
Revenue including discontinued operations	**120,219**	429,459
Revenue on continuing operations	**112,519**	198,599
Profit before tax and non-controlling interests	**3,547**	15,313
Profit before tax and non-controlling interests on continuing operations	**303**	6,186
Profit after tax and non-controlling interests	**387**	7,730
Net assets per share attributable to shareholders	**US$2.32c**	US$2.37c
Basic earnings per share	**US$1.0c**	US$21.6c
Basic (loss)/earnings per share on continuing operations	**US$(1.7)c**	US$11.0c
Interim dividend (paid on 17th July 2020)	**US$1.9c**	US$1.9c
Second interim (final) dividend (paid on 22nd January 2021)	**US$1.9c**	US$1.9c
	US$3.8c	US$3.8c

ANALYSIS OF ASSETS, NET OF CURRENT LIABILITIES

before long term finance and non-controlling interests

	2020 US$m	2019 US$m
Europe	**41.5**	46.9
United States	**21.3**	22.2
	62.8	69.1
South Africa	**31.7**	39.2
	94.5	108.3



Financed by:	2016 US$m	2017 US$m	2018 US$m	2019 US$m	**2020 US$m**
Shareholders' equity	67.2	73.3	80.6	85.0	**83.3**
Non-controlling interests	8.0	9.0	10.4	10.5	**4.1**
Long term finance	12.4	13.6	14.9	12.8	**7.1**
	87.6	95.9	105.9	108.3	**94.5**

FINANCIAL CALENDAR

Financial year-end: 30th September 2020
Provisional announcement of results: 24th December 2020

SHARE INFORMATION

The Company has 35,857,512 shares in issue which are listed on the JSE Limited ("JSE") and the share price as at 21st January 2021, the latest practicable date prior to the publication of this Annual Report, was ZAR 25.42.

Chairman's Statement
For the year ended 30th September 2020

Marshall Monteagle is an Investment Company. It is listed on the Johannesburg Stock Exchange ("JSE") 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 performance of the Group's investments is monitored and regularly reviewed by the Board.

Marshall Monteagle's group of trading companies are held in subsidiaries or associated companies, each led by experienced and entrepreneurial executives. The trading companies have made substantial investment in their workforce and continue to diversify the Group's international trading base by linking world-wide suppliers of fast-moving consumable goods to growing emerging markets.

The trading environment for the Group's businesses in the second half of this year has been very difficult owing largely to the Covid-19 pandemic which, of course, has affected local economies and businesses around the world. All of our companies have had to adjust to this new and challenging environment and our employees and staff in South Africa and overseas have worked very hard to achieve this year's results.

In October 2019, Marshall Monteagle completed the sale of its 50% interest in Monteagle Africa. By the sale of Marshall Monteagle's investment in Monteagle Africa, the Group has been able to maintain the balance of its investments and provide additional liquidity to support the growth of other trading businesses. The profits from the sale of this investment are included in the current financial year.

Board changes

As was reported on 29th June 2020 by the Group's Chief Executive, David Marshall, and me in the Interim Report and Dividend Declaration, the AGM in May 2020 saw Alastair Barclay stand down as a Director and the non-Executive Chairman of the Group after having served a term of three years. I was appointed in his stead. For those shareholders who missed the announcement, this was Alastair's second retirement from the Group which he had joined in 1980. In the three years from May 2017 to May this year, he led an increase in the professionalism of the Board's corporate governance processes and reporting commitments. In particular, he oversaw adaptations required to comply with the JSE's King IV Code on Corporate Governance, 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. Whilst a Group Director and the non-executive Chairman, the Group substantially grew its FMCG (Fast Moving Consumer Goods) business 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. We again thank him for his contribution and wish Patricia his wife and him a long, healthy and happy life.

The past year has seen significant and increased challenges for the Group, wrought not least by the Covid-19 pandemic, as well as new opportunities. These include choices such as the option (and at times the need) to meet remotely such by Microsoft Teams, Zoom or otherwise. This has led to increased efficiencies at a reduced cost, the virtue of an awareness of climate change and the value to us of preserving our planet.

In his Chairman's Statement of 2019, Alastair Barclay noted that "The conditions which saw the significant growth of Marshall Monteagle over the last twenty years will be different", that "The strategic investment policy of listed investments, property and growing businesses run by ambitious managers, has served all stakeholders well." and then concluded with the observation that "This policy may be led by new faces in the future but with caution and integrity, it should lead to a prosperous future for all".
I endorse those sentiments adding only that such "caution and integrity" will need all of the energies that are released by imagination and courage.

As Chairman of Marshall Monteagle, it gives me great pleasure to thank every employee and staff member of the Marshall Monteagle Group for the loyalty, the hard work and dedication they have shown throughout the past year and wish them all a merry Christmas and festive season and a joyful, Covid-19 conquering new year.

R. C. Kerr
Chairman

Introduction

The sale of Monteagle Africa was completed in the period and led to a cash inflow to the Group. 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. This reduction in market value has been reversed prior to publication of this Annual Report. 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 9.1% 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 contributed to the reduction in value of our net assets denominated in South African Rands to US$13.7m, equivalent to US$0.38 per share.

Certain of our trading businesses have been impacted by increased competition, and some customers have taken advantage of this to capture more of the value in the supply chain. This has led to substantial decreases in both sales volumes and margins and extension of credit periods taken by certain customers.

Despite these headwinds the Group's balance sheet remains very strong, reinforced by positive trading cash inflows, and the dividend is being maintained. At 30th September 2020, cash balances were US$29.9m.

The success of the Group's businesses is dependent on the efforts of our staff and support from other stakeholders. The disruption caused by Covid-19 has had significant impacts on everyone's working and home lives. We would like to thank our employees in particular, and all other stakeholders, for the flexibility and adaptability that they have demonstrated over the past year. Without their efforts our businesses could not operate. We will continue to support our staff in all ways possible as this virus evolves and impacts on them and their families, both physically and mentally.

Results of operations

- Net assets per share attributable to shareholders are US$2.32 (2019 – US$2.37). Net assets per share have decreased reflecting adverse movements in the value of the South African Rand and decreases in the value of investment portfolios. Net assets outside Africa, net of proposed dividends, stand at US$68.8m, equal to US$1.92 per share (2019 - US$1.92); the balance of US$13.7m, equal to US$0.38 per share, is held in South Africa (2019 - US$0.43per share).
- A final dividend of US$1.9 cents per share was paid on 22nd January 2021 (2019 – US$1.9 cents) bringing dividends for the year to US$3.8 cents (2019 – US$3.8 cents).
- Revenue on continuing operations decreased by 40.9% to US$112,519,000 (2019 restated – US$190,503). In constant currency terms revenue decreased by 36.9%
- Group profit before tax decreased by 76.8% to US$3,547,000, and in constant currency terms decreased by 74.1% to US$3,952,000.
- Profit before tax on continuing operations decreased by 94.5% to US$303,000 (2019 restated – US$5,534,000) and in constant currency terms decreased by 95.4% to US$253,000.
- Headline (loss)/earnings of US$(2.5) cents per share were 113% lower when compared with US$19.1 cents per share in the same period last year.
- Basic earnings per share of US$1.0 cents per share were 95.3% lower when compared with US$21.6 cents per share in the same period last year.

Import and Distribution

The continuing FMCG import and distribution businesses provide a procurement, supply chain and risk management service to multiple retailers, wholesalers and manufacturers throughout Southern and Central Africa and South America. This division continues to constantly review its shipping and supply-chain to ensure that it remains the most cost-effective solution from factory to shelf. The division remains 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 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 foreseeable future. We continue to compete strongly for business with existing customers and to broaden our customer and supplier base

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. Our Tool & Machinery business has had a good year and increased profitability despite the effects of Covid-19 and the national lockdown in South Africa. The "Do it yourself" market in particular has been very buoyant after lockdown. The risk of product price inflation from suppliers into 2021 is a concern. Nonetheless, the business is well positioned to have another year of growth.

The Metals and Minerals business provides a fully integrated marketing, logistics, finance and shipping service to the South African mining industry. It continues to make extremely good progress and is developing new partnerships with miners in Southern Africa and end users on an international basis. This division is 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 last six months of the period under review markets that 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.

In November 2020, the Group sold the controlling stake in the companies involved in importing, processing, and distributing coffee in South Africa (note 7b). The performance, assets and liabilities of these businesses are shown as discontinued in these accounts.

The Group continues to fund the additional working capital requirements of these growing trading businesses from its cash recourses. The Group's cash balances and the proceeds of disposal of Monteagle Africa will support growth in this segment of the business.

Investment Portfolio

We continue to hold a list of quality listed international equities that are expected to outperform the market in the long term. During the year share prices decreased by US$1,512,000 (2019: increase of US$39,000) mainly due to unstable market conditions and the impact of Covid-19. With the additional net disposal of investment of US$2,008,000 and the adverse effect of foreign exchange of $30,000 the portfolio had a market value at the year-end of US$28,112,000 (2019 – US$31,662,000).

Property Portfolio

Rental income from our large multi-tenanted industrial property in San Diego, USA has continued to grow and the property remains fully let, though rental rates have stabilized and remained level over recent quarters. Covid-19 has not had a significant impact on income although payment of some rents has been deferred for short periods. The Group's South African commercial and light industrial property portfolio has achieved a steady return in a very adverse economic climate, notwithstanding limited forbearance granted to certain tenants who have been struggling to cope with the effects of Covid-19 and lockdown. The Group is maintaining its focus on administrative and operating efficiencies while the demand for premises decreases in light of the uncertainty surrounding the economy. The Group's property portfolio was revalued at US$23,952,000, a decrease of US$114,000 compared with the same period last year.

R.C. Kerr
Chairman

D.C. Marshall
Chief Executive

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th September	Notes	2020 US$000	Restated for IFRS 5 2019 US$000	2019 US$000
Profit or Loss				
Group revenue	2f/3	**112,519**	190,503	198,599
Other income	4	**3,736**	3,183	3,323
		116,255	193,686	201,922
(Decrease)/Increase in inventories of finished goods and work in progress		**(6,704)**	770	939
Cost of finished goods, raw materials and consumables		**(76,376)**	(139,329)	(143,815)
Employee benefit expenses		**(6,800)**	(8,081)	(9,036)
Depreciation expenses	11/12	**(388)**	(370)	(520)
Other expenses	5	**(24,052)**	(39,273)	(41,332)
Share of associated companies results	13	**24**	20	20
Finance expense		**(1,656)**	(1,889)	(1,992)
Profit before tax		**303**	5,534	6,186
Taxation	6	**(633)**	(1,903)	(2,084)
(Loss)/Profit for the year on continuing operations		**(330)**	3,631	4,102
Profit from disposal of discontinued operations	7	**2,559**	-	-
Realised exchange differences on disposed foreign entities		**(1,718)**	-	-
Profit after tax on discontinued operations	7	**154**	7,446	6,975
Profit for the year		**665**	11,077	11,077
Profit attributable to owners of the parent		**387**	7,730	7,730
Profit attributable to non-controlling interests		**278**	3,347	3,347
Basic and fully diluted (loss)/earnings per share on continuing operations (US cents)	8	**(1.7)c**	9.7c	11.0c
Other Comprehensive (Expense)/Income on continuing operations: -				
Items that may be reclassified subsequently to profit or loss: -				
Exchange differences on translation into US Dollars of the financial statements of foreign entities	20	**(2,224)**	(2,647)	(2,800)
Realised exchange differences on translation into US Dollars of the financial statements of disposed foreign entities		**1,718**	-	-
Total of items that may be reclassified		**(506)**	(2,647)	(2,800)
Items that will not be reclassified subsequently to profit or loss: -				
Commercial property fair value adjustments	11	**52**	137	137
Less applicable tax		**(15)**	(27)	(27)
		37	110	110
Other Comprehensive Income on discontinued operations		**(207)**	(137)	16
Total Other Comprehensive Loss		**(676)**	(2,674)	(2,674)
Total Comprehensive (Loss)/Income		**(11)**	8,407	8,403
Total Comprehensive Income attributable to owners of the parent		**649**	5,857	5,857
Total Comprehensive (Loss)/Income attributable to non-controlling interests		**(660)**	2,546	2,546

The notes on pages 11 to 43 form part of these Financial Statements.

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 Note 19	US$000	US$000 Note 20	US$000	US$000	US$000	US$000
Year ended 30th September 2020							
Profit after tax	**-**	**-**	**(912)**	**1,299**	**387**	**278**	**665**
Other Comprehensive Income – foreign exchange	**-**	**-**	**(312)**	**-**	**(312)**	**(401)**	**(713)**
Other Comprehensive Income - revaluation	**-**	**-**	**18**	**-**	**18**	**19**	**37**
Total Comprehensive (Expense)/Income	**-**	**-**	**(1,206)**	**1,299**	**93**	**(104)**	**(11)**
Transactions with shareholders	**-**	**-**					
Disposal of subsidiary (note 7)	**-**	**-**	**(132)**	**(309)**	**(441)**	**(6,113)**	**(6,554)**
Dividends paid (note 9)	**-**	**-**	**-**	**(1,364)**	**(1,364)**	**(68)**	**(1,432)**
Balances at start of year	**8,964**	**23,606**	**(291)**	**52,687**	**84,966**	**10,451**	**95,417**
Balances at end of year	**8,964**	**23,606**	**(1,629)**	**52,313**	**83,254**	**4,166**	**87,420**
Year ended 30th September 2019							
Profit after tax-	-	-	593	7,137	7,730	3,347	11,077
Other Comprehensive Income	-	-	(936)	(937)	(1,873)	(801)	(2,674)
Total Comprehensive Income	-	-	(343)	6,200	5,857	2,546	8,403
Transactions with shareholders							
Disposal and loss of subsidiaries (note 7)	-	-	-	-	-	(795)	(795)
Dividends paid (note 9)	-	-	-	(1,364)	(1,364)	(1,719)	(3,083)
Balances at start of year	8,964	23,606	52	47,851	80,473	10,419	90,892
Balances at end of year	8,964	23,606	(291)	52,687	84,966	10,451	95,417

The notes on pages 11 to 43 form part of these Financial Statements.

Consolidated Statement of Financial Position

at 30th September

	Notes	**2020 US$000**	2019 US$000
Assets			
Non-current assets			
Investment property	10	**23,952**	24,066
Property, plant and equipment	11	**5,328**	7,188
Right of use asset	12	**479**	-
Deferred taxation	18	**749**	999
Investments in associated company	13	**430**	409
Investments	14	**28,112**	31,662
		59,050	64,324
Current assets			
Inventories	15	**12,422**	24,729
Accounts receivable	16a	**22,436**	22,907
Other current assets	16b	**444**	662
Tax recoverable		**489**	372
Cash and cash equivalents	22	**29,716**	22,654
		65,507	71,324
Assets held for sale	7	**6,128**	41,488
Total assets		**130,685**	177,136
Current liabilities			
Bank overdrafts	17a/22	**(7,392)**	(6,637)
Accounts payable	17a	**(19,992)**	(22,501)
Lease liabilities	12	**(110)**	-
Other financial liabilities	17b	**(122)**	(36)
Tax payable		**(25)**	(473)
		(27,641)	(29,647)
Liabilities held for sale	7	**(1,203)**	(31,987)
Net current assets		**42,791**	51,178
Total assets less current liabilities		**101,841**	115,502
Non-current liabilities			
Financial liabilities	17	**(6,679)**	(12,834)
Lease liabilities	12	**(427)**	-
Deferred taxation	18	**(7,315)**	(7,251)
Total non-current liabilities		**(14,421)**	(20,085)
		87,420	95,417
Capital and reserves			
Called up share capital	19	**8,964**	8,964
Share premium account		**23,606**	23,606
Other reserves	20	**(1,629)**	(291)
Retained earnings		**52,313**	52,687
Equity attributable to owners of the parent		**83,254**	84,966
Non-controlling interests		**4,166**	10,451
Total Equity		**87,420**	95,417

Approved and authorised for issue by the Board on 26th January 2021.

R.C. Kerr
Chairman

D.C. Marshall
Chief Executive

The notes on pages 11 to 43 form part of these Financial Statements.

Consolidated Statement of Cash Flows

for the year ended 30th September	Notes	2020 US$000	2019 US$000
Operating Activities			
Profit for the year		**665**	11,077
Adjustments:			
Taxation		**2,883**	4,329
Depreciation		**555**	1,048
Share of associated companies' results		**(24)**	(80)
Interest paid		**1,724**	2,379
Profit on disposal of subsidiary		**(3,018)**	-
Other income		**(2,145)**	(3,303)
Other expense		**1,694**	1,191
		2,334	16,641
Changes in working capital			
Decrease/(Increase) in inventories		**7,098**	(3,146)
(Increase)/Decrease in receivables		**(1,658)**	7,341
(Decrease)/Increase in payables		**(8,226)**	1,301
Cash (used in)/generated by operations		**(452)**	22,137
Interest paid		**(1,682)**	(2,379)
Taxation paid		**(2,970)**	(3,765)
Cash (outflow)/inflow from operating activities		**(5,104)**	15,993
Investment activities			
Purchase of and improvements to tangible non-current assets		**(950)**	(1,445)
Proceeds of disposal of tangible non-current assets		**66**	227
Purchase of software		**-**	(13)
Acquisition of investments		**(8,544)**	(331)
Proceeds of disposal of investments		**11,085**	-
Proceeds of disposal of subsidiary		**9,964**	323
Loss of subsidiary		**-**	(1,046)
Dividends received		**977**	1,041
Interest received		**747**	821
Cash inflow/(outflow) from investment activities		**13,345**	(423)
Cash inflow before financing		**8,241**	15,570
Financing activities			
Drawdown of new long-term loans		**-**	117
Repayment of long-term loans		**(397)**	(119)
Lease		**(101)**	-
Dividends paid to Group shareholders		**(1,364)**	(1,364)
Dividends paid to non-controlling interests of subsidiaries		**(68)**	(1,719)
Cash outflow from financing activities		**(1,930)**	(3,085)
Increase in cash and cash equivalents		**6,311**	12,485
Cash and cash equivalents at 1st October	22	**16,017**	5,911
Effect of foreign exchange rate changes		**217**	(77)
Cash and cash equivalents at 30th September	22	**22,545**	18,319
Cash and cash equivalents on discontinued operations		**(221)**	(2,302)
Cash and cash equivalents on continuing operations		**22,324**	16,017

The notes on pages 11 to 43 form part of these Financial Statements.

1. GENERAL

The Company is incorporated as a public limited company in Jersey, Channel Islands. In view of the international nature of the Group's operations, and as permitted by Jersey law, the amounts shown in these Consolidated Financial Statements are rounded to the nearest thousand and presented in United States dollars (US$), which is the functional currency of the Group.

2. ACCOUNTING POLICIES

a) Basis of preparation

These consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), the SAICA Financial Reporting Guides as issued by the Financial Reporting Standards Council and the Financial Pronouncements as issued by the Financial Reporting Council, JSE Listings Requirements and in accordance with Article 105 of the Companies (Jersey) Law, 1991.

The Directors have established that: there have been no significant events that are not in the ordinary course of business since the reporting date, except for the completion of the sale of a controlling stake in the companies involved in importing, processing, and distributing coffee in South Africa; all borrowing facilities are still in place; the substantial liquid resources held in cash and in the share portfolios are still available; and that there has been no major capital expenditure nor acquisitions since the reporting date. The Directors therefore believe that the going concern basis is appropriate for the Group.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain commercial and investment properties and financial instruments which are measured at fair value. The principal accounting policies of the Group, which are set out below, comply with IFRS in all respects and with Jersey legal requirements. These policies have been consistently applied.

At the date of authorisation of these Consolidated Financial Statements the IASB and the IFRIC have issued new standards and interpretations and amended or revised standards, as set out in note 29, which do not apply to the Group in the reporting period covered by these financial statements although some will be applicable to the next reporting period. The Directors have considered the impact of the adoption of these Standards and Interpretations and have determined that while changes may be required to some accounting policies and disclosures, such changes will not be material to an assessment of the business. The detailed analysis of the main standard impacting the Group is disclosed below.

Changes in accounting policy

During the year the Group adopted **IFRS 16 Leases** which specifies how a company reporting under IFRS will recognise, measure, and disclose leases. 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. Lessor accounting under IFRS 16 remains substantially unchanged from its predecessor IAS 17. The standard replaces IAS 17 'Leases' and related interpretations. The impact of the adoption of IFRS 16 on the Group's consolidated and separate annual financial statements is described below.

The Group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases. IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1st October 2019.

The right of use asset and lease liability are measured at the present value of the remaining lease payments, discounted at the Group incremental borrowing rate (7%). Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

A lease liability and corresponding right of use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

2. ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)
Changes in accounting policy (continued)

The aggregate effect of the changes in accounting policy on the consolidated annual financial statements at 1st Oct 2019 is:

	1st Oct 2019 US$000
Right of use asset	
Opening balance	-
Remeasuring charge	**597**
	597
Lease liability	
Opening balance	**(14)**
Remeasuring charge	**(583)**
	(597)

The application of IFRS 16 requires the Group to make judgements that affect the calculation of the lease. These include: determining the discounting rate of future cashflow, which is based on the costs of capital, and determining the rental costs.
The Group has applied modified retrospective approach whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1st October 2019 (see note 12).
No other new standards, amendments or interpretations, effective for the first time for financial years beginning on or after 1st January 2019 have had a material impact on the Group or Parent Company.

New standards and interpretations
A number of new standards and amendments to standards and interpretations are effective for financial periods beginning after 1st January 2020 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group (note 29).

b) Estimates and Judgements
The Group is required, in conformity with IFRS, to make estimates and judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related results. The estimates, judgements and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and in future periods if applicable. The critical judgements that the directors have made in the process of applying the Group's accounting policies mainly also involve estimations (which are dealt with separately below).

The only critical judgement, not involving estimation, which has significant effect on the amounts recognised in the financial statements, is the consideration of whether there is sufficient control for companies to be accounted for as subsidiaries (note 28). The audit committee carefully considered the date that Monteagle Africa should cease to be consolidated. The sale agreement was signed on 3rd October 2019, but the sale did not complete until 5th March 2020. Taking all of the facts into account and considering the three tests for control in IFRS 10, the committee determined that consolidation should cease on the date that the sale agreement was signed. As a practical expediency consolidation of Monteagle Africa has ceased from 1st October rather than 3rd October 2019. If a later date had been identified this would have had no impact on the Group's net assets but would have introduced an amount for profit after tax on discontinued operations, reduced the profit on disposal of discontinued operations by a similar amount, and changed the assets and liabilities disposed of (disclosed in note 7) to reflect movements between 1st October 2019 and the date selected for consolidation to cease.

The most significant estimates relate to: the valuation of properties (note 27), residual value and lives of tangible assets (notes 10 and 2(i)), valuation of unlisted investments (notes 14 and 2(k)), valuation of inventories (notes 15 and 2 (l)), recognition of deferred tax assets based on recoverability (notes 18 and 2(m)) and the calculation of the exchange loss on translation into US Dollars of the financial statements of Monteagle Africa, accumulated in Other reserves and released to Profit or Loss (US$1,718,000, note 20).

2. ACCOUNTING POLICIES (continued)

c) Administration costs and Costs of finished goods, raw materials and consumables

Expenses, including costs of finished goods, raw materials and consumables, administration expenses, staff costs and other expenses, are accounted for on an accruals basis and are recognised in Profit or Loss on the transaction date. Costs of finished goods and consumables are included in inventory balance on the Consolidated Statement of Financial Position and expensed when sold.

d) Basis of Consolidation

Subsidiaries included in these financial statements are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the consolidated Statement of Changes in Equity and the Consolidated Statement of Financial Position. When the group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, the carrying amount of any non-controlling interests in the former controlled entity is derecognised directly in the consolidated Statement of Changes in Equity.

e) Associates

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investment is recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying value of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

f) Revenue

Revenue from contracts with customers - Revenue is recognised upon transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The main revenue streams are import, export and distribution of metal and minerals, tools, food and household consumer products. A disaggregation of revenue by product type has been included in Note 3.

Contracts contain one performance obligation. Revenue from sale of goods to customers is recognised when the performance obligation is satisfied and goods are delivered to the location specified by the customer. For international trade that might be the port of loading or discharge, or delivery to the customer's premises.

2. ACCOUNTING POLICIES (continued)

f) Revenue (continued)

Deliveries to domestic customers are normally to the customer's premises. Prices are fixed and are determined on a contract by contract basis. Payment terms are typically 60 to 90 days from the date of delivery.

Rental income on properties is recognised on a straight-line basis over the lease term.

g) Interest and Dividends

Interest is recognised using the effective interest rate method.

Dividends are recognised when the shareholder's right to receive payment has been established.

h) Investment Properties

Investment properties are those held to earn rental income and for capital growth. These properties are initially recognised at cost and subsequently measured at fair value. These properties are independently valued on an open market basis on a regular basis. Open market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Open market value approximates to fair value. Changes in fair value are included as part of Profit or Loss. Cumulative changes in fair value are recorded in Other reserves in shareholders' equity. These properties are not depreciated as they are measured at fair value; all maintenance and running costs are charged in operating costs in the year that they occur.

i) Property, plant and equipment

Commercial properties are held for use in the production and supply of goods or services and/or for administrative purposes. They are revalued annually and are carried at revalued amounts. Improvement cost are capitalised. Increases in the carrying amounts arising on revaluation are recognised, net of tax, in other comprehensive income and accumulated in Other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Residual values of commercial buildings are reviewed annually, and where these have been assessed to be greater than carrying value the depreciation charge on these properties has been determined to be nil. Where residual values are less than carrying values, the difference is recognised as depreciation over the useful life of the property on a straight-line basis. Useful lives are reassessed annually. Land is not depreciated. On disposal of revalued assets, amounts in Other reserves relating to that asset are transferred to Retained earnings.

Depreciation Rate: Commercial property - buildings	2%-5%

Plant, equipment, and vehicles are carried at cost less depreciation and impairment. The carrying amounts of the Group's plant, equipment and vehicles are reviewed for impairment at each reporting date. If there is any indication that an asset is impaired, a test is done and if determined to be impaired, the carrying value is reduced. Depreciation is calculated on the straight-line method at the following annual rates:

Plant	10%-20%
Equipment	9%-100%
Vehicles	13%-20%

Depreciation has been calculated on the straight-line basis to write off the cost, less any expected residual value, of non-current assets over their useful lives. On disposal, gains or losses are included in profit or loss. Residual values and useful lives are reassessed annually.

2. ACCOUNTING POLICIES (continued)

j) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss

k) Investments

Investments held by the Group comprise listed and unlisted equities as well as treasury bills.
Listed shares held by the Group that are traded in an active market are stated at market bid prices (which are considered to be their fair value). Treasury bills are stated at fair value. Unlisted shares are stated at fair value as explained in more detail in note 14.

As per IFRS 9 these financial assets fall within the fair value through profit or loss category. Changes in the fair values of these financial assets are recorded in Other income/expenses through profit or loss. Gains and losses realised on the sale of these financial assets will be recorded in the profit and loss to the extent of the difference between sale price and fair value previously reported.

l) Inventories

Inventories (primarily tools and non-perishable foodstuffs) are measured at the lower of cost and net realisable value. The value of raw materials and finished goods comprises all of the costs of purchase, conversion and other costs incurred in bringing the inventory to their present location and condition. The costs are assigned to individual items of inventory on the basis of first-in, first-out (FIFO). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated completion and selling costs incurred to make the sale. Obsolete, redundant and slow-moving inventories are identified on a regular basis and are written down to their estimated realisable values.

m) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity in which case it is recognised in Other Comprehensive Income or directly in equity, respectively.

Current Income Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries and associates operate and generate taxable income, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. ACCOUNTING POLICIES (continued)

m) Taxation (continued)

Deferred Tax

Deferred tax is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements for financial reporting purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of an asset or liability; a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply to temporary differences when they reverse.

A deferred tax asset is recognised for unused tax losses arising on deductible temporary differences only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

n) Leases

The Group as a lessor of investment properties recognises operating lease income on a straight-line basis, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. Operating lease receivables are recognised in the Statement of Financial Position at the undiscounted cost of the cash flows due under the lease.

The Group as a lessee recognises a right of use asset and a lease liability in the Statement of Financial Position. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group and estimate of any costs to dismantle and remove the asset at the end of the lease.

The Group depreciates the right of use assets on a straight-line basis from the lease commencement date to the end of the lease term.
The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate
Lease payments included in the measurement of the lease liability are made up of fixed payments, payments arising from options to renew or extend which are reasonably certain to be exercised and amounts expected to be payable under a residual value guarantee.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right of use assets and lease liabilities have been presented separately from Property, plant and equipment and Trade and other payables.

Leases (Comparatives under IAS 17)

The following accounting policy applies to the comparative disclosures of leases. The Group has adopted IFRS 16 in the current year but has not restated the comparatives.

Where the substance of a lease transfers substantially all of the risks and rewards incidental to ownership of the leased asset to the lessee, it is a finance lease. If a lease is not a finance lease it is classified as an operating lease. The Group as a lessor of investment properties recognises operating lease income on a straight-line basis, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. Operating lease receivables are recognised in the Statement of Financial Position at the undiscounted cost of the cash flows due under the lease.

The Group as an operating lessee recognises the costs of leasing other assets through profit or loss on a straightline basis over the term of the lease. The difference between amounts recognised and contractual cost is recognised as an operating lease liability at the undiscounted cost of the contractual cash flows due under the lease.

2. ACCOUNTING POLICIES (continued)

o) Employee Costs

The costs of short-term employee benefits are recognised in the period in which the service is rendered.

The policy of the Group is to provide retirement benefits through defined contribution schemes, for which the Group has no further liability. Current contributions to pension funds are charged in operating costs as incurred.

p) Foreign Currencies and Operations

All exchange gains and losses on settlement of foreign currency transactions or the translation of monetary assets and liabilities at reporting date exchange rates are included in profit or loss.

On consolidation, income and expenditure of subsidiaries expressed in a currency other than US$ is translated at average monthly rates of exchange for the year, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions.

Assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange at the reporting date.

Differences on translation arising in changes in the US$ value of overseas net assets held at the beginning of the accounting period to that at the end of the period are included in Other Comprehensive Income.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss from the Foreign Currency Translation reserve, as part of the gain or loss on sale.

The exchange loss or profit arising from the difference in the average monthly rates used for the profit or loss and the rates at the reporting date used in the Consolidated Statement of Financial Position purposes is shown in Other Comprehensive Income.

The rates used are:		Consolidated Statement of Profit or Loss and Other Comprehensive Income		Statement of Financial Position	
		2020	2019	**2020**	2019
South Africa -	USD/ZAR=	**16.367**	14.357	**16.680**	15.162
Europe -	€/USD=	**1.125**	1.121	**1.173**	1.090
United Kingdom -	£/USD=	**1.284**	1.273	**1.292**	1.232

q) Cash and Cash Equivalents

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in money market instruments. Where a right of offset exists, account balances are aggregated.

r) Financial Instruments

Financial Assets

The principal financial assets are the portfolio investments, cash and cash equivalents and accounts receivable.

Investments are held at fair value through profit or loss because they are held for their yield as well as capital appreciation and do not contain contractual terms which give rise on specified dates to cash flows that are solely payments of principal plus interest.
The listed investments are initially measured at fair value based on listed share prices in active markets for these shares, they are held as assets at fair value through profit or loss; treasury bills and unlisted investments are initially and subsequently measured at fair value, they are held as assets at fair value through profit or loss.

Other financial assets, with the exception of foreign exchange contracts which are measured at fair value, are held at amortised cost as they represent contractual commitments to receive payments of principal and interest on specified dates and the Group's business model is to hold these financial assets in order to collect the contractual cash flows.

2. ACCOUNTING POLICIES (continued)

r) Financial Instruments (continued)

Cash and cash equivalents are initially recorded at fair value and subsequently held at amortised cost; accounts receivable, excluding operating lease receivables, which are covered under note 2(n), are initially valued at fair value and subsequently held at amortised cost, using the effective interest method less any adjustments required as a result of impairment.

The carrying amounts of trade receivables are reviewed under the expected credit loss model and the simplified approach is used (note 16).

Financial Liabilities

Financial liabilities and Other financial liabilities are classified according to the substance of the contractual agreements entered into. The principal financial liabilities are bank loans and accounts payable, which are initially valued at fair value, and subsequently at amortised cost, using the effective interest method. The value of non-current financial liabilities is calculated by discounting their future cash flows at the market rate that reflects current interest rates. Where the effects of discounting are immaterial, no discounting is applied. .

Derivative Financial Instruments

Derivative financial instruments, which have been entered into to hedge future cash flows but which for accounting purposes are not designated as hedging instruments, consisting of forward foreign exchange contracts, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates using market prices.

Derivatives are classified as financial assets or liabilities at fair value through profit or loss. Fair value is determined by market value quotes received from independent financial institutions. Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

s) Segmental Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Group Board which is responsible for allocating resources and assessing performance of the operating segments and therefore is the Chief Operating Decision Maker.

t) Earnings per share

Basic earnings per share - Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

3. 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 metal and minerals, tools, food and household consumer products primarily imports to, and exports from, South Africa.
Property	Investment properties in USA. and South Africa.
Investments in associated companies	Companies involved in marketing and logistics.
Excluded from the segmental analysis are Other activities	Mainly transactions relating to the share portfolios, profits on disposals of tangible non-current assets, local head office costs and interest.

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

3. SEGMENTAL REPORTING (continued)

Segmental analysis of results	2020 Revenue US$000	2020 Profit/(loss) US$000	Restated for IFRS 5 2019 Revenue US$000	Restated for IFRS 5 2019 Profit/(loss) US$000
Import and distribution *	**109,506**	**800**	187,407	5,572
Property	**3,013**	**829**	3,096	891
Share of associated companies results	**-**	**24**	-	20
Continuing operations	**112,519**	**1,653**	190,503	6,483
Other expenses		**(3,430)**		(2,243)
Other income		**3,736**		3,183
Finance expense		**(1,656)**		(1,889)
Profit on continuing operations before tax		**303**		5,534
Discontinued operations				
Profit on disposal		**3,018**		-
Import and distributions- profit from discontinued opearations	**7,700**	**226**	238,956	9,779
	120,219		429,459	
Profit for the year before tax on continuing and discontinued operations		**3,547**		15,313

*Includes sales of continuing operations to the Group's major customers representing 10% or more of Group revenue in the last two years

	2020 US$000	2019 US$000
Import and distribution		
Customer A	**15,289**	29,216
Customer B	**9,230**	36,159

Segment assets consist of investment properties, 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 improvements and additions to investment properties and property, plant and equipment.

3. SEGMENTAL REPORTING (continued)

Segmental analysis of net assets 30th September 2020	**Assets US$000**	**Liabilities US$00**	**Net assets US$000**	**Capital Expenditure US$000**	**Depreciation/ amortisation US$000**
Import and distribution	**39,473**	**(18,832)**	**20,641**	**826**	**(359)**
Property	**25,195**	**(794)**	**24,401**	**179**	**(29)**
Investment in associated companies	**430**	**-**	**430**	**-**	**-**
Unallocated (including investments, cash, tax and debt)	**59,459**	**(22,436)**	**37,023**	**-**	**-**
Consolidated total on continuing operations	**124,557**	**(42,062)**	**82,495**	**1,005**	**(388)**
Discontinued operations – held for sale	**6,128**	**(1,203)**	**4,925**	**543**	**(166)**
Consolidated total	**130,685**	**(43,265)**	**87,420**	**1,548**	**(554)**
Segmental analysis of net assets 30th September 2019					
Import and distribution	54,059	(21,093)	32,966	623	(493)
Property	25,283	(680)	24,603	29	(4)
Investment in associated companies	409	-	409	-	-
Unallocated (including investments, cash, tax and debt)	55,897	(27,959)	27,938	-	(23)
Consolidated total on continuing operations	135,648	(49,732)	85,916	652	(520)
Discontinued operations – held for sale	41,488	(31,987)	9,501	793	(528)
Consolidated total	177,136	(81,719)	95,417	1,445	(1,048)

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.
United States	Location for part of the Group's property portfolio and some of the Group's investment portfolio.
South Africa	Location for part of the Group's import and distribution business and part of the Group's property portfolio.

Assets and Liabilities are shown by the geographical area in which the assets are located. Non-current assets exclude investments and deferred tax.

3. SEGMENTAL REPORTING (continued)

Segmental analysis at 30th September 2020	**Group revenue US$000**	**Non-Current assets US$000**	**Total Assets US$000**	**Total Liabilities US$000**
Europe	**57,317**	**109**	**56,930**	**(15,384)**
United States	**1,492**	**14,316**	**26,835**	**(11,058)**
Total outside South Africa	**58,809**	**14,425**	**83,765**	**(26,442)**
South Africa	**53,710**	**15,764**	**40,792**	**(15,620)**
Total continuing operations	**112,519**	**30,189**	**124,557**	**(42,062)**
Discontinued operations – South Africa	**7,700**	**1,601**	**6,128**	**(1,203)**
Total	**120,219**	**31,790**	**130,685**	**(43,265)**

Segmental analysis at 30th September 2019	Group revenue US$000	Non-current assets US$000	Total Assets US$000	Total Liabilities US$000
Europe	106,560	118	59,309	(17,786)
United States	1,372	13,402	27,293	(10,811)
Total outside South Africa	107,932	13,520	86,602	(28,597)
South Africa	90,667	17,734	49,046	(21,135)
Total continuing operations	198,599	31,254	135,648	(49,732)
Discontinued operations – South Africa	230,860	3,756	41,488	(31,987)
	429,459	35,010	177,136	(81,719)

Group revenue for continuing operations disaggregated by product type

		2020 US$000	Restated for IFRS 5 2019 US$000
Import & Distribution	FMCG excluding Coffee	**52,335**	94,914
	Metals & Minerals	**32,291**	64,698
	Tool and Machinery	**24,880**	27,795
		109,506	187,407
Property		**3,013**	3,096
Total		**112,519**	190,503

All revenue from discontinued operations relates to revenue derived from FMCG excluding coffee activity.

4. OTHER INCOME

	2020 US$000	Restated for IFRS 5 2019 US$000
Fair value adjustments on investment property (see note 10)	**838**	1,225
Fair value adjustment on investments	**-**	39
Fair value adjustments on forward foreign exchange contracts	**-**	28
Dividend income	**865**	872
Interest income	**745**	500
Other income	**141**	247
Legal claim	**309**	-
Exchange gains	**305**	272
Profit on disposal of investments	**533**	-
Total other income in continuing operations	**3,736**	3,183
Other income in discontinued operations	**86**	261
	3,822	3,444

5. OTHER EXPENSES

	2020 US$000	Restated for IFRS 5 2019 US$000
Fair value adjustment on investments	**(1,512)**	-
Loss on disposal of non-current tangible assets	**(94)**	(24)
Impairment	**(11)**	-
Exchange losses	**(909)**	(1,164)
Reorganisation costs	**-**	(57)
Metals and Minerals freight and clearing expenses	**(8,176)**	(15,879)
Administration and other expenses	**(13,350)**	(22,149)
Total other expenses on continuing operations	**(24,052)**	(39,273)
Other expenses in discontinued operations	**(2,043)**	(14,033)
	(26,095)	(53,306)

Administration and other expenses include: -

Marketing and sales expenses	**1,097**	1,498
Legal and professional fees	**1,714**	624
Lease costs		
Premises	**62**	921
Plant, equipment and vehicles	**299**	267
Auditors' fees of the Company and its subsidiaries		
Audit related	**475**	424

6. TAXATION

	2020 US$000	Restated for IFRS 5 2019 US$000
Corporate tax		
Current year	**264**	1,387
Prior years	**(112)**	(19)
Deferred taxation (Note 18)	**481**	535
	633	1,903
Taxation on profit of disposal of subsidiary	**2,177**	-
Taxation on discontinued operations	**72**	2,334
	2,882	4,237

This equates to an effective tax rate on profit before tax of 209% (2019 restated – 34.47%)

6. TAXATION (continued)

The reconciliation of the expected tax charge of Group companies to the actual tax charge is as follows:

	2020 US$000	Restated for IFRS 5 2019 US$000
Profit before taxation	**303**	5,534
Weighted average standard statutory tax rate [1]	**190%**	26%
Expected tax charge at standard statutory rates [2]	**576**	1,428
Withholding taxes	**179**	793
Effect of non-standard rates of tax [3]	**-**	(240)
Losses unrelieved [4]	**-**	86
Over provisions in prior years	**(117)**	(9)
Other timing differences	**(5)**	(155)
	633	1,903

[1] The weighted average standard statutory tax rate is the expected tax charge divided by the profit before tax.

[2] The expected tax charge is the applicable standard tax rates in each national jurisdiction multiplied by the profit or loss before tax in each national jurisdiction. There have been no significant changes in the tax rates in any of the jurisdictions in which the Group operate.

[3] Certain items of income or expenditure are subject to tax at rates which differ from the standard rates in the jurisdiction.

[4] Tax losses are recognised only to the extent it is probable that future taxable profit will be available against which the benefits can be realised.

7. DISCONTINUED OPERATIONS

a) Monteagle Africa Limited

During the previous financial year, the Directors took a decision to sell their 50.1% shareholding in Monteagle Africa Limited. Consequently, the investment held in Monteagle Africa Limited as well as indirect investment held via Monteagle Africa, namely Monteagle Merchandising Propriety Limited – 50% and Gayle Henderson Marketing Propriety Limited - 26%, have been disclosed as current assets held for sale at year end and their associated liabilities also classified as held for sale.

The sale was effective and finalised during the current year and consideration of ZAR151,000,000 was received in full.

	2020 US$000
Net asset sold	**9,501**
Intercompany loan added back	**2,409**
Adjustment to prior year closing minority interest	**(569)**
Minority interest	**(6,113)**
Total net asset sold	**5,228**
Profit on disposal	**4,736**
Consideration received	**9,964**

7. DISCONTINUED OPERATIONS (continued)

Assets sold/Held for sale	2019 US$000
Property, plant and equipment	3,281
Deferred taxation	647
Intangible assets	475
Investments in associated company	198
Inventories	5,880
Accounts receivable	28,672
Cash and cash equivalents	2,302
Tax recoverable	7
Derivatives	26
	41,488
Liabilities sold	
Tax payable	(52)
Borrowings	(268)
Lease Liabilities	(65)
Trade and other payables	(31,602)
	(31,987)

b) Global Coffee Exports Limited

In November 2020 the Group sold to a private equity company a controlling stake in the companies involved in importing, processing, and distributing coffee in South Africa for U$1,500,000. Sales proceeds will be applied within the stock market investment portfolio of the group.

	2020 US$000	
Assets held for sale		
Property, plant and equipment	**1,601**	
Inventories	**3,059**	
Trade and other receivables	**1,247**	
Cash and cash equivalents	**221**	
	6,128	
Liabilities held for sale		
Trade and other payables	**(1,203)**	
	(1,203)	
Comprehensive income		
Revenue	**7,700**	8,096
Cost of sales	**(4,610)**	(4,317)
Other Income	**86**	140
Operating and other expenses	**(2,883)**	(3,164)
Finance costs	**(67)**	(103)
Profit before tax	**226**	652
Taxation	**(72)**	(181)
Profit after tax	**154**	471
Cashflows from discontinued operations		
Operating activities	**290**	
Investing activities	**(520)**	
Financing activities	**81**	
Net cash outflows on discontinued operations	**(149)**	

8. EARNINGS PER SHARE

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 (2019 – 35,857,512). There are no dilutive instruments in issue.

	2020	Restated for IFSR 5 2019
Basic (loss)/earnings per share on continuing operations	**US$(1.7)c**	US$9.7c
Basic earnings per share on discontinued operations	**US$2.7c**	US$11.9c
Basic and fully diluted earnings per share	**US$1.0c**	US$21.6c
Headline basic (loss)/earnings per share on continuing operations	**US$(2.9)c**	US$7.3c
Headline basic earnings per share on discontinued operations	**US$0.4c**	US$11.8c
Headline basic and fully diluted earnings per share on continuing and discontinued operations	**US$(2.5)c**	US$19.1c
Basic earnings on continuing and discontinued operations	**387**	7,730
Share of profit on discontinued operations	**(995)**	(4,260)
Basic (loss)/earnings on continuing operations	**(608)**	3,470

Reconciliation between basic and headline earnings	**Gross US$000**	**Tax US$000**	**2020 Net US$000**
Basic earnings on continuing and discontinued operations			**387**
Adjusted for: -			
Fair value adjustments on investment property revaluation	**(838)**	**294**	**(544)**
Net profit on disposal of a subsidiary	**(4,736)**	**2,177**	**(2,559)**
Foreign currency translation reserve recycled to profit or loss	**1,718**	**-**	**1,718**
Net impairment of non-current tangible asset	**-**	**-**	**11**
Net loss on disposal of non-current tangible assets	**-**	**-**	**103**
Re-measurements included in equity-accounted earnings of associates	**-**	**-**	**1**
Headline loss			**(883)**

Reconciliation between basic and headline earnings	Gross US$000	Tax US$000	Restated for IFSR 5 2019 Net US$000
Basic earnings on continuing and discontinued operations			7,730
Adjusted for: -			
Fair value adjustments on investment property revaluation	(1,225)	354	(871)
Recovery of impairment on non-current assets	(42)	-	(42)
Net loss on disposal of non-current tangible assets	67	-	67
Net gain on disposal of subsidiary	(40)	-	(40)
Headline earnings			6,844

8. EARNINGS PER SHARE (continued)

Reconciliation between basic and headline earnings	Gross US$000	Tax US$000	Restated for IFSR 5 2019 Net US$000
Basic earnings on continuing operations			3,470
Adjusted for: -			
Fair value adjustments on investment property revaluation	(1,225)	354	(871)
Net loss on disposal of non-current tangible assets	27	-	24
Headline earnings			2,623

9. DIVIDENDS

	2020 US$000	2019 US$000
Interim		
US$1.9 cents per share (2019 – US$1.9c)	**682**	682
Second interim (final) dividend in respect of prior year		
US$1.9 cents per share (2019 – US$1.9c)	**682**	682
Total dividends paid in the year US$3.8 cents (2019 – US$3.8c)	**1,364**	1,364

A final dividend of US$1.9 cents per share for the year ended 30th September 2020 (2019 - US$1.9 cents) has been declared.

10. INVESTMENT PROPERTIES

	2020 US$000	2019 US$000
Brought forward 1st October		
At fair value	**24,066**	23,565
Translation adjustment	**(970)**	(725)
	23,096	22,840
Fair value adjustments	**838**	1,225
Translation adjustment	**1**	(28)
Improvement expenditure	**17**	29
Balance carried forward 30th September – at fair value	**23,952**	24,066
Analysis of net book value:		
United States	**14,316**	13,403
South Africa	**9,636**	10,663
	23,952	24,066
Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for investment properties:		
Rental Income	**3,013**	3,096
Direct operating expenses from property that generated rental income	**(2,142)**	(2,205)
	871	891
Fair value recognised in other income	**838**	1,225
	1,709	2,116

10. INVESTMENT PROPERTIES (continued)

The bases for valuation of properties are set out in note 27. A deduction from the valuation amount is made for the lease receivables recognised in accounts receivable (note 16(b)).

All properties were rent producing. Certain investment properties, valued at US$14,315,000 were mortgaged at 30th September 2020 to secure long-term finance (see note 10).

As lessor, at 30th September 2020 the Group had projected future rental income within one year of US$1,984,000(2019 – US$2,200,000) and within two to five years of US$3,994,000 (2019 – US$4,546,000), under non-cancellable operating leases on properties.

There are options to renew the lease agreements if agreed by both parties. Escalation clauses are included within the lease agreements. There are no contingent rentals or options to purchase.

11. PROPERTY, PLANT AND EQUIPMENT

	Plant US$000	Equipment US$000	Vehicles US$000	Commercial Property Land US$000	Commercial Property Buildings US$000	Total US$000
Year Ended 30th September 2020						
Brought forward 1st October						
At cost or valuation	1,889	1,560	715	2,139	3,351	9,654
Translation adjustment	(171)	(136)	(65)	(192)	(300)	(864)
	1,718	1,424	650	1,947	3,051	8,790
Revaluations	-	-	-	-	52	52
Impairment	-	(7)	-	-	-	(7)
Additions	511	271	151	-	-	933
Disposals	(110)	(305)	(31)	-	-	(446)
Transferred to Held for sale	(1,582)	(57)	(123)	(180)	(527)	(2,469)
Balances carried forward 30th September	537	1,326	647	1,767	2,576	6,853
Depreciation						
Brought forward 1st October	(1,067)	(1,000)	(399)	-	-	(2,466)
Translation adjustment	96	89	36	-	-	221
	(971)	(911)	(363)	-	-	(2,245)
Charge for the year	(206)	(156)	(72)	-	-	(434)
Translation adjustment	4	3	1	-	-	8
Disposals	49	216	13	-	-	278
Transferred to Held for sale	799	28	41	-	-	868
Balances carried forward 30th September	(325)	(820)	(380)	-	-	(1,525)
Net book value 30th September 2020	212	506	267	1,767	2,576	5,328

11. PROPERTY, PLANT AND EQUIPMENT (continued)

			At cost	At valuation		
				Commercial Property		
	Plant	Equipment	Vehicles	Land	Buildings	Total
	US$000	US$000	US$000	US$000	US$000	US$000
Year Ended 30th September 2019						
Brought forward 1st October						
At cost or valuation	1,819	5,117	1,621	2,732	5,007	16,296
Translation adjustment	(121)	(337)	(108)	(177)	(333)	(1,076)
	1,698	4,780	1,513	2,555	4,674	15,220
Revaluations				28	174	202
Additions	253	663	274	-	226	1,416
Disposals	(62)	(924)	(87)	-	(2)	(1,075)
Move of subsidiary to associate	-	(1,109)	(693)	-	-	(1,802)
Transferred to Held for sale	-	(1,850)	(292)	(444)	(1,721)	(4,307)
Balances carried forward 30th September	1,889	1,560	715	2,139	3,351	9,654
Depreciation						
Brought forward 1st October	(1,027)	(2,948)	(798)	-	-	(4,773)
Translation adjustment	68	196	53	-	-	317
	(959)	(2,752)	(745)			(4,456)
Charge for the year	(174)	(471)	(98)	-	-	(743)
Translation adjustment	9	24	5	-	-	38
Disposals	57	694	70	-	-	821
Move of subsidiary to associate	-	576	273	-	-	849
Transferred to Held for sale	-	929	96	-	-	1,025
Balances carried forward 30th September	(1,067)	(1,000)	(399)	-	-	(2,466)
Net book value 30th September 2019	822	560	316	2,139	3,351	7,188

Revaluations of commercial property include revaluations of US$52,000 (2019 - US$137,000) recognised in other comprehensive income and reversal of impairments of US$ Nil (2019 - US$42,000) recognised in other income.

Analysis of net book value:	**2020 US$000**	2019 US$000
South Africa		
Commercial property	**4,262**	5,490
Plant, equipment and vehicles	**957**	1,580
	5,219	7,070
Other jurisdictions – Commercial property and equipment	**109**	118
Total	**5,328**	7,188
Held for sale	**1,601**	3,281
	6,929	10,469

Details of commercial property valuation methods and inputs are provided in note 27.

Commercial properties with a carrying value of US$4,206,000 (2019 – US$4,570,000) were mortgaged at 30th September 2020 to secure long-term finance (see note 25).

The carrying value of the revalued commercial property under the cost model would have been US$1,996,000 (2019 – US$2,189,000).

12. LEASES (group as a lessee)

The group leases office buildings, motor vehicles and office equipment.
Details pertaining to leasing arrangements, where the group is lessee are presented below:
The group adopted IFRS 16 for the first time in the current financial period. Comparative figures have been accounted for in accordance with IAS 17 and any assets recognised under finance leases in accordance with IAS 17 for the comparative have been recognised as part of property, plant and equipment. The information presented in this note for right of use assets therefore only includes the current period.

Right of use asset	**2020 US$000**	2019 US$000
Brought forward 1st October	**-**	-
Buildings	**501**	-
Office equipment	**96**	-
Balances carried forward 30th September	**597**	-
Depreciation		
Brought forward 1st October	**-**	-
Charges for the year	**(120)**	-
Translation adjustment	**2**	-
Balances carried forward 30th September	**(118)**	-
Net book value 30th September		
Buildings	**435**	-
Office equipment	**44**	-
	479	-
Lease Liabilities		
Current	**(110)**	-
Non-Current	**(427)**	-
Total Lease Liabilities	**(537)**	-
Interest expense on lease liabilities	**42**	-
Maturity Analysis		
Within one year	**(162)**	-
Two to five years	**(439)**	-
More than five years	**(77)**	-
Less finance charge	**141**	-
	(537)	-

13. INVESTMENT IN ASSOCIATED COMPANY

During 2019, Monteagle Logistics Limited became an associate as a result of changes in board composition. This is illustrated in the table below.

	2020 US$000	2019 US$000
Balance brought forward 1st October	**409**	192
Translation adjustment on balance brought forward	**(37)**	(13)
Share of net asset value of former subsidiary – now accounted for as associate	**147**	472
Share of results for the year	**24**	20
Translation adjustment on results for the year	**(1)**	(1)
Dividends received	**(112)**	(82)
Transferred to assets held for sale	**-**	(179)
Balance carried forward 30th Septemb	**430**	409

13. INVESTMENT IN ASSOCIATED COMPANY (continued)

Investment in associate held	**2020**	2019
Gayle Henderson Marketing Proprietary Limited – Marketing company		
Incorporated and operating in South Africa, unlisted	**-**	26%
Monteagle Logistics Limited – Logisitcs and warehousing company		
Incorporated and operating in South Africa	**50%**	50%

Summarised financial information of material associates

	2020 US$000	2019 US$000
Monteagle Logistics Limited		
Revenue	**26,490**	32,259
Profit after tax	**47**	287
Non-current assets	**9,145**	1,852
Current assets	**5,594**	5,293
Current liabilities	**(5,646)**	(4,930)
Non-current liabilities	**(8,526)**	(1,395)
Total net assets	**567**	820
Gayle Henderson Marketing Proprietary Limited		
Revenue	**-**	1,360
Profit after tax - unaudited	**-**	217
Non-current assets	**-**	142
Current assets	**-**	379
Current liabilities	**-**	(127)
Non-current liabilities	**-**	(19)
Total net assets	**-**	375

14. INVESTMENTS

	2020 US$000	2019 US$000
Listed investments		
Balance brought forward 1st October	**27,050**	26,481
Ttranslation adjustment	**(30)**	-
	27,020	26,481
Additions	**8,544**	331
Disposals	**(8,552)**	-
Fair value adjustments (note 20)	**(1,175)**	238
Fair value adjustments realised on disposal	**(267)**	-
Balance carried forward 30th September	**25,570**	27,050
Treasury bills		
Balance brought forward 1st October	**2,000**	2,000
Disposals	**(2,000)**	-
Balance carried forward 30th September	**-**	2,000
Unlisted investment		
Balance brought forward 1st October	**2,612**	2,811
Fair value adjustments (note 20)	**(70)**	(199)
Balance carried forward 30th September	**2,542**	2,612
Net book value 30th September	**28,112**	31,662

14. INVESTMENTS (continued)

Geographical analysis	2020 US$000	2019 US$000
Listed investments in:		
UK	**6,190**	6,380
USA	**9,787**	11,118
Europe	**4,814**	4,889
Switzerland	**3,364**	2,817
Japan	**1,290**	1,516
South Africa	**125**	330
	25,570	27,050
Treasury bills in USA	**-**	2,000
Unlisted in Europe	**2,542**	2,612
	28,112	31,662

A portion of the parent company's listed portfolio investments, with a value of US$17,916,000 is pledged to secure an overdraft facility of US$3,989,000, of which US$1,652,000 is drawn at the reporting date (see note 16).

The unlisted investment in Heartstone is carried at fair value which is calculated based on the net asset value per share at 30th September 2020 of US$1.72 less a discount of 10% to take into account the illiquidity of this holding in a private company, based upon management accounts. A change in the net asset value by 13% would change the fair value by US$330,000. The Group owns 1,641,309 Ordinary Shares in Heartstone (14.7%).

Further details regarding the fair value of financial instruments are included in note 26.

15. INVENTORIES

	2020 US$000	2019 US$000
Raw materials	**-**	2,373
Finished goods	**12,422**	22,356
	12,422	24,729
Held for sale	**3,059**	5,880

There were no material provisions against obsolete inventories at 30th September 2020 (2019–not material). Inventory with a total value of US$8,728,000 (2019 - US$10,174,000) is pledged to First Rand Bank Limited as security for loans and pledged to Gerber Finance Inc. for receivables finance (see note 16). General notarial bonds exist in favour of: FNB Corporate, a division of First Rand Bank Limited to the value of US$899,000 (2019 - US$989,000) and to Gerber to the value of the remainder of inventories pledged US$7,829,000 (2019 – US$9,185,000)).

16. ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

	2020 US$000	2019 US$000
a) Accounts receivable		
At amortised cost		
Trade debtors	**19,843**	20,066
Loss allowance	**(323)**	(231)
Other debtors	**2,916**	3,072
	22,436	22,907
Held for sale	**1,218**	28,672
b) Other current assets		
At amortised cost		
Accrued operating lease income on investment properties	**423**	327
At fair value through profit or loss		
Forward foreign exchange contacts	**21**	335
	444	662
Held for sale	**28**	26

16. ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS (continued)

Customers are subject to credit verification procedures and balances are monitored on an on-going basis. The Group applies the simplified approach for providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime loss provision for all trade receivables. These life-time expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general conditions of the industries at the reporting date.

The tables below have been used against receivables only from Tools & Machinery and Property income streams. Historically, losses from the other income streams of the Group have been exceptionally low and this, combined with management's views of the credit risk profile of the Group's current customers in these income streams, suggests no loss allowance for these receivables is considered necessary.

2020	**Import and distribution Loss allowance ageing profile**				
	Current	**Less than 30 days past due**	**30-60 days past due**	**61-90 days past due**	**More than 90 days past due**
Expected loss rate (scope of applied %)	1.0%	3.8%	6.3%	12.9%	11.7%

2020	**Property Type of tenant**		
	A grade	**B grade**	**C grade**
Expected loss rate (scope of applied %)	14%	13%	13-15%

2019	**Import and distribution Loss allowance ageing profile**					**Property Type of tenant**	
	Current	**Less than 30 days past due**	**30-60 days past due**	**61-90 days past due**	**More than 90 days past due**	**B grade**	**C grade**
Expected loss rate (scope of applied %)	2.4%	6.0%	9.3%	2.0%	7.2%	14%	12-19%

The loss allowance as at 30th September 2020 is determined as follows:

Loss allowance	**2020 US$000**	2019 US$000
At start of the year	**231**	185
Translation adjustment	**(21)**	(37)
Increase of loss allowance recognised in the Profit or loss in the year	**134**	135
Receivables written off during the year	**(44)**	(52)
Transferred to held for sale	**23**	-
	323	231

The amounts due from other debtors were not overdue and not subject to any restrictions. Trade debtors with values of US$4,003,000 (2019 – US$5,992,000) are pledged to FNB Corporate (a division of First Rand Bank Limited) and US$5,728,000 (2019 – US$5,164,000) are pledged to FNB Corporate (a division of First Rand Bank Limited) and Gerber Finance Inc. (see note 17).

17. ACCOUNTS PAYABLE AND OTHER FINANCIAL LIABILITIES

	2020 US$000	2019 US$000
Current:		
a) Accounts payable		
At amortised cost		
Trade creditors	**12,586**	19,998
Other creditors and short-term portions of secured loans	**1,093**	1,293
Unsecured loan: - Europe – (US Dollar)	**5,400**	-
Accruals	**885**	1,210
	19,964	22,501
Accrued operating lease costs on investment properties	**28**	-
	19,992	22,501
Bank overdrafts	**7,392**	6,637
	27,356	29,138
Held for sale	**923**	31,922
b) Other financial liabilities		
At fair value through profit or loss		
Forward foreign exchange contracts	**122**	36
	122	36
Held for sale	**12**	65

US$4,184,000 (2019 – US$5,204,000) of the Group's trade creditors relate to amounts owing to Gerber Finance Inc. and these amounts are secured by trade debtors and inventories.

	2020 US$000	2019 US$000
Non-current:		
Secured loans: - South Africa – (South African Rand)	**1,129**	1,740
- United States – (US Dollar)	**5,550**	5,680
Unsecured loan: - Europe – (US Dollar)	**-**	5,400
Operating lease obligation accruals – (South African Rand)	**-**	3
Finance lease obligation accruals – (South African Rand)	**-**	11
	6,679	12,834
Held for sale	**202**	-

Financing liabilities reconciliation	**Bank Overdraft US$000**	**Financing liabilities US$000**	**Total US$000**
Balance brought forward 1st October 2019	**6,637**	**12,834**	**19,471**
Cash movements			
Cash flows (excluding bank overdraft)	**-**	**(397)**	**(397)**
Bank overdraft movement	**1,174**	**-**	**1,174**
Non-cash movements			
Foreign exchange adjustments	**(419)**	**(156)**	**(575)**
Move to current payables	**-**	**(5,400)**	**(5,400)**
Liabilities held for sale	**-**	**(202)**	**(202)**
Balance carried forward 30th September 2020	**7,392**	**6,679**	**14,071**

17. ACCOUNTS PAYABLE AND OTHER FINANCIAL LIABILITIES (continued)

	Bank Overdraft US$000	Financing liabilities US$000	Total US$000
Balance brought forward 1st October 2018	12,571	14,903	27,474
Cash movements			
Cash flows (excluding bank overdraft)	-	(2)	(2)
Bank overdraft movement	(6,483)	-	(6,483)
Non-cash movements			
Foreign exchange adjustments	549	(240)	309
Sale of subsidiary	-	(100)	(100)
Move of subsidiary to associate	-	(332)	(332)
Liabilities held for sale	-	(1,395)	(1,395)
Balance carried forward 30th September 2019	6,637	12,834	19,471

Long-term finance in the United States and South Africa is repayable by instalments and secured by mortgages on certain local investment and commercial properties and investments (see notes 10, 11 and 14). Certain of these mortgages include standard terms regarding the assignment of lease, rent and payments under insurance policies. The repayment terms vary from no fixed terms to 68 months.

The principal rates of interest on loans are commercial rates - United States – fixed rate of 3.66%, Europe – fixed rate of 3.75%, South Africa – variable between 6.5 % and 9.7%.

18. DEFERRED TAXATION

	2020 US$000	2019 US$000
Deferred tax assets:		
Timing differences arising from: -		
Lease liabilities	**7**	9
Accruals	**218**	382
Losses recoverable	**410**	575
Other	**114**	33
	749	999
Deferred tax liabilities		
Timing differences arising from: -		
Investment property valuations	**(5,483)**	(5,339)
Commercial property valuations	**(638)**	(653)
Fair value adjustments to investments	**(1,027)**	(1,015)
Lease receivables	**(84)**	(60)
Other	**(83)**	(183)
	(7,315)	(7,251)
Reconciliation of movement		
Disclosed as asset	**999**	1,901
Disclosed as liability	**(7,251)**	(6,744)
Balance at 1st October	**(6,252)**	(4,843)
Translation adjustment	**148**	59
Transferred to Held for sale	**65**	(878)
Deferred taxation charged to profit (see below)	**(513)**	(563)
Deferred tax charged to Other Comprehensive Income: -		
Increase in surplus on revaluation of commercial properties	**(14)**	(27)
Net book value 30th September	**(6,566)**	(6,252)
Disclosed as asset	**749**	999
Disclosed as liability	**(7,315)**	(7,251)

18. DEFERRED TAXATION (continued)

	2020 US$000	2019 US$000
Deferred taxation (charged)/credited to Profit or Loss arises from:		
Increase in uplifts on revaluation of investment properties	**(311)**	(386)
Decrease in available losses	**(80)**	(135)
(Decrease)/Increase in fair value adjustments to investments	**22**	(105)
Increase in accruals	**(126)**	166
Expense in advance	**(10)**	(9)
Other	**(8)**	(94)
Transferred to Held for Sale	**32**	28
	(481)	(535)

19. SHARE CAPITAL

Authorised	**Number**	**US$000**
Ordinary shares of US$25 cents each	**40,000,000**	**10,000**
Issued and fully paid at 30th September 2019 and 2020	**35,857,512**	**8,964**

Each ordinary share carries one vote. There are no encumbrances on the issued ordinary shares and the unissued ordinary shares are under the control of the Directors, as authorised at the Annual General Meeting.
The Company has no unlisted shares.

20. OTHER RESERVES

The following table show a breakdown of the Consolidated Statement of Financial Position line item "Other reserves" and the movement in the reserves during the year.

2019-2020 **Other comprehensive income/(expense)**	Property Revaluation US$000	Fair value of investments US$000	Foreign currency translation US$000	Total US$000
Commercial property revaluations	**37**	**-**	**-**	**37**
Translation of comprehensive income from average rates of exchange to those at the reporting date	**-**	**-**	**(42)**	**(42)**
Translation of comprehensive income from spot rates of exchange to those at the reporting date	**-**	**-**	**(188)**	**(188)**
Translation differences arising on the conversion of opening balances	**-**	**-**	**(2,201)**	**(2,201)**
Realised exchange differences on disposed foreign entities	**-**	**-**	**1,718**	**1,718**
Less non-controlling interests share of translation differences	**(19)**	**-**	**401**	**382**
Other Comprehensive Income, net of non-controlling interests	**18**	**-**	**(312)**	**(294)**
Transfers from retained earnings				
Unrealised loss on investments	**-**	**(1,512)**	**-**	**(1,512)**
Investment property revaluations	**910**	**-**	**-**	**910**
Deferred taxation on revaluations	**(310)**	**-**	**-**	**(310)**
	618	**(1,512)**	**(312)**	**(1,206)**
Disposal of subsidiary	**(132)**	**-**	**-**	**(132)**
Total movement	**486**	**(1,512)**	**(312)**	**(1,338)**
Balance brought forward 1st October 2019	8,878	9,362	(18,531)	(291)
Balance carried forward 30th September 2020	**9,364**	**7,850**	**(18,843)**	**(1,629)**

20. OTHER RESERVES (continued)

2018-2019	Property Revaluation US$000	Fair value of investments US$000	Foreign currency translation US$000	Total US$000
Other comprehensive income/(expense)				
Commercial property revaluations	126	-	-	126
Translation of comprehensive income from average rates of exchange to those at the reporting date	-	-	(130)	(130)
Translation differences arising on the conversion of opening balances	-	-	(2,670)	(2,670)
Less non-controlling interests share of translation differences	(50)	-	851	801
Other Comprehensive Income, net of non-controlling interests	76	-	(1,949)	(1,873)
Transfers from retained earnings				
Unrealised gains on investments	-	39	-	39
Investment property revaluations	2,133	-	-	2,133
Deferred taxation on revaluations	(358)	(134)	-	(492)
	1,775	(95)	-	1,680
Disposal of subsidiary	-	(150)	-	(150)
Total movement	1,851	(245)	(1,949)	(343)
Balance brought forward 1st October 2018	7,027	9,607	(16,582)	52
Balance carried forward 30th September 2019	8,878	9,362	(18,531)	(291)

21. RESERVES

The following describes the nature and purpose of each reserve within shareholders' equity: -

Reserve	Description and purpose
Share capital	Amount subscribed for share capital at nominal value.
Share premium	The amount subscribed for share capital in excess of nominal value.
Other reserves	Cumulative fair value adjustments to property and investments and exchange arising on the translation of foreign entities. Distribution of these reserves to members is determined on the degree of realisation of the underlying transactions.
Retained earnings	Cumulative net gains and losses recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, excluding Fair Value adjustments to property and investments and exchange arising on the translation of foreign entites.

Capital management
Capital is defined as the Company's ordinary share capital and reserves as detailed above.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue or repurchase shares. No changes were made to the objectives, policies or processes for managing share capital during the year ended 30th September 2020.

The Company requires its subsidiaries to pay annual dividends to support the Company's dividend policy. Other than this, the Company does not actively manage its share capital and reserves, instead its focus is on overseeing the management of its investments.

22. NOTES TO THE CASH FLOW STATEMENT

(a) Analysis of net funds	2019 US$000	Exchange movements US$000	Cash Flow movement US$000	Discontinued Operations US$000	**2020 US$000**
Cash at bank and in hand	22,222	(145)	6,228	(221)	**28,084**
Money market funds	432	(39)	1,239	-	**1,632**
	22,654	(184)	7,467	(221)	**29,716**
Bank overdrafts (note 17)	(6,637)	401	(1,156)	-	**(7,392)**
	16,017	217	6,311	(221)	**22,324**

(b) Analysis of funds by currency	2019 US$000	Exchange movements US$000	Cash flow movement US$000	Discontinued Operations US$000	**2020 US$000**
United States Dollars	11,713	-	9,871	**-**	**21,584**
Swiss Francs	124	11	(100)	**-**	**35**
Australian Dollars	21	1	2	**-**	**24**
South African Rands	743	(53)	4,756	**(221)**	**5,225**
Euros	3,428	259	(5,848)	**-**	**(2,161)**
Pounds Sterling	(12)	(1)	(2,370)	**-**	**(2,383)**
	16,017	217	6,311	**(221)**	**22,324**

23. RELATED PARTIES

	2020 US$000	2019 US$000
Related party fees (other than Director's fees) paid to		
City Group PLC	**315**	285
Maitland	**1**	1
IQ EQ	**43**	53
	359	339
Purchases from (sales to) related parties:		
Monteagle Logistics Limited	**58**	2,455
	-	(20)
Amounts included in Accounts payable		
City Group PLC	**103**	59
Monteagle Logistics Ltd	**8**	224

Related party fees (other than Directors' fees)
Mr. D.C. Marshall and Mr. E.J. Beale are Directors of City Group PLC, the Company Secretary, to which fees of US$315,000 (2019 – US$285,000) were paid. At the reporting date, US$102,787 was due to City Group (2019 – US$58,528). Fees are agreed at arm's length and settlement is due on receipt of invoice. Neither Mr D.C. Marshall nor Mr E.J. Beale receive any fees from City Group PLC.

Mr. R.C. Kerr is a consultant to the legal services practice of Maitland, to which fees of US$687 were paid in the year (2019 – US$626). At the reporting date, there were no balances due to or from Maitland (2019 – nil). Fees are agreed at arm's length and settlement is due on receipt of invoice.

Mr. B.C.B. Newman and Mr. D.J. Douglas are directors of IQ-EQ, to which fees of US$43,000 were paid for the year (paid in 2019 - US$53,000). At the reporting date, there were no balances due to IQ-EQ (2019 – US$Nil). Fees are agreed at arm's length and settlement is within 30 days of invoice.

Other than as disclosed above, no Director, or party who is considered key management, was interested in any contract between the Directors, the Company and any other related party that subsisted during or at the end of the financial year. Related party transactions are identified and evaluated from a register regularly updated by the Company Secretary.

23. RELATED PARTIES (continued)

Amounts due to related parties
At the reporting date US$8,000 was due to Monteagle Logistics Limited (2019 – US$224,000)

Directors' fees
The key management team, including non-executive Directors, of 6 (2019 – 6) consisting of Messrs A.R.C Barclay (who retired from the Board on 15th May 2020), E.J Beale, R.C. Kerr, D.C. Marshall, B.C.B. Newman and D.J. Douglas, received total remuneration for the year consisting of short-term benefits of US$507,000 (2019 – US$571,000) as detailed in the Directors' Report on page 45.

The related companies within the Group are detailed in Note 28.

24. GROUP COMMITMENTS AND CONTINGENT LIABILITIES

At 30th September 2020, the Group had commitments as lessee of US$162,000 (2019 – US$153,000) within one year, US$438,000 (2019 – US$208,000) in two to five years and US$78,000 (2019-US$Nil) over five years.

The Group has no liabilities for pension funds as these are all contribution only schemes. The Group had no material commitments for authorised capital expenditure contracted (2019 – nil) at the reporting date. There are options to renew certain property leases, if agreed by both parties. These leases include rent escalation clauses.

25. FINANCIAL INSTRUMENTS

IFRS 13 requires disclosure of fair value measurements under the following hierarchy:

Financial assets and liabilities are classified in their entirety into one of the three levels determined on the basis of the lowest input that is significant to the fair value measurement.

Listed prices (unadjusted) in active markets for identical assets or liabilities – Level 1

Values 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

Values for the asset or liability that are not based on observable market data (that is unobservable inputs) – Level 3.

The categories of financial instruments used by the Company are:	Fair Value Hierarchy Level	**2020**	2019
Financial assets		**US$000**	US$000
At fair value through Profit or Loss			
Investments – listed	1	**25,570**	27,050
Investments – treasury bills	1	**-**	2,000
Investments – unlisted	3	**2,542**	2,612
Forward foreign exchange contracts in Other financial assets	2	**21**	335
At amortised cost			
Accounts receivable - current	n/a	**22,436**	22,907
Cash at bank in Cash and cash equivalents	n/a	**28,084**	22,222
Money market funds in Cash and cash equivalents	n/a	**1,632**	432
Financial liabilities			
At amortised cost			
Trade and other payables – current –	n/a	**19,964**	22,501
Bank loans - non-current secured	n/a	**6,679**	7,434
Other loans - non-current unsecured		**-**	5,400
Bank overdrafts	n/a	**7,392**	6,637
Lease liability	n/a	**110**	-
At fair value through Profit or Loss			
Forward foreign exchange contracts in Other financial liabilities	2	**122**	36

25. FINANCIAL INSTRUMENTS (continued)

The fair value of forward foreign exchange contracts is determined by market value quotes received from independent financial institutions.

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.

26. RISK MANAGEMENT

Credit risk management
Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. Concentrations of credit risk consist principally of trade receivables and temporary cash investments and the Group's maximum exposure is shown in note 25. All of the listed portfolio investments are in highly liquid stocks and there is no concentration of investment in any one company. Customers are subject to credit verification procedures and balances are monitored on an on-going basis. The ageing profile of trade receivables is shown in note 16 and indicates that the Group's risk exposure to expected credit loss is not material. Cash and cash equivalents represent surplus funds on current bank accounts. These funds are held by financial institutions of high quality and standing such as HSBC, Credit Suisse and First National Bank. At the year-end the Directors do not consider there to be any significant concentration of credit risk for which adequate provision has not been made.

Interest rate risk profile
Exposure to interest rate risk arises in the normal course of the Group's business and applies mainly to cash deposits and financing. The Group's objective is to achieve the best rates available, adopting a policy of ensuring that its exposure to changes in interest rates on surplus funds is short-term. The principal rates on long term borrowings for the year were fixed at 3.66% in the United States (2019 – South Africa 9.5% to 11.5%, Europe 3.75% and United States 3.66%). The Group secures short-term finance at variable rates on the best commercial terms, in South Africa based on Prime Rate, which is 7% to 10% and in Europe at 3.75% (2019 – 10% and 1.89% to 2.02%).

There are no investments in fixed interest stock (2019 – 7 day US Treasury Bills of US$2,000,000) and the majority of the Company's investment portfolio consists of equity investments, for which an interest rate profile is not relevant. Interest is not charged on trade and other receivables nor incurred on trade and other payables.

It is impossible to predict how interest rates will vary in the future although in the near-term higher interest rates are likely. An interest rate change of 3% would be reasonably possible based on the fluctuation of South Africa's interest rate in the past (from 10% to 7%). Based on the variable interest loans held in South Africa, a change of 3% would result in a change in the net charge and the profit or loss in the current year of approximately US$38,200. Changes to equity and assets will be immaterial.

Currency risk
The Group currency risk arising on the portion of purchases transacted in foreign currencies is monitored on an ongoing basis with forward cover being arranged for significant transactions. The contracts for forward cover provide an economic hedge but the Group is not able to apply hedge accounting.

The values of the Group interests in South Africa, detailed in note 3, are exposed to fluctuations in exchange rates. Exchange rates used in the preparation of these accounts are included in note 2 (p). It is impossible to predict how exchange rates will vary in the future. A 31% movement in the exchange rates used to translate those interests in South Africa at the reporting date would be reasonably possible and would reduce or increase asset values and shareholders' funds by US$4,316,000 and increase or decrease profit for the year by US$1,334,000. This percentage has been calculated based on the exchange rate movement ZAR/USD during the Company's financial year.

26. RISK MANAGEMENT (continued)

Market pricing risk
The Company maintains a spread of listed investments over various sectors and monitors performance continuously as described above. The majority of the financial assets (listed investments) are in companies with good market liquidity.

The fair values of the listed investments within the portfolios are determined by the prices available from the markets on which the investments involved are traded.

It is impossible to predict how markets will perform in the future. The Group have accepted the 13% movement in the S&P500 Index over the year as indication of possible future fluctuations in the market value of the listed and unlisted investments.

A 13% decrease in the value of the listed investments detailed in note 14 would result in the fair values of investments decreasing by US$3,324,000 and a corresponding decrease in profits recorded in other reserves. A 13% increase would, on the same basis, increase fair values and increase profits recorded in other reserves.

The value of unlisted investments is stated 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 to net asset value by 13% would change the fair value of the investment and the profit or loss of the Group by US$330,000.

Reviews for indications of permanent impairment are carried out at least annually. The Directors believe that the exposure to market price risk from these activities is acceptable in the Company's circumstances.

Liquidity risk
The Group monitors the risk of a shortage of funds by considering the maturity of both its financial investments and financial assets and projected cash flows from operations. The objective is to maintain a balance between a continuity of funding and flexibility through the use of bank overdrafts, loans and inter-company funding.

	2020 US$000	2019 US$000
Liabilities falling due:		
Bank overdrafts	**7,392**	6,637
Within twelve months – financial liabilities	**20,074**	22,501
Between one and five years – financial liabilities	**343**	5,907
Over five years- financial liabilities	**6,336**	6,927
	34,145	42,445

There are no material differences between the discounted liabilities as above and their contractual amounts and they are repayable over the above periods.

Adequate liquid assets and facilities are available to the Group to meet these liabilities as they fall due.

	2020 US$000	2019 US$000
Liquid assets:		
Cash and cash equivalents	**29,716**	22,654
Listed investments	**25,570**	27,050
Treasury bills	**-**	2,000
Trade and other receivables	**22,880**	23,569
	78,166	75,273
Net Assets held for sale	**4,925**	9,501

27. INVESTMENT AND COMMERCIAL PROPERTY VALUATION INPUTS

There has been no change in the valuation techniques used during the year.

Investment properties
The Group considers all of its investment properties to fall within Level 3 of the fair value hierarchy, as defined by IFRS13. All properties are completed investment properties, none are under development. The investment properties were valued at 30th September 2020; in the United States by D. Asaro, Senior Director of Cushman & Wakefield, in San Diego; and in South Africa by Tim Moulder FRICS FIV (SA) of Mills Fitchet Magnus Penny & Wolffs a member of the C.B. Ellis Affiliate Network and A Ridsdale BA of Ridsdale and associates Estates Agents, Lyndon Storer and Jess Raynolds. All are suitably independent valuers, experienced in the location and category of the property being valued, at current market values, on an open market basis. In determining the valuations as at 30th September 2020, different approaches were used. The approach used in the properties in USA is based on the projected net annual income after deducting a 10% vacancy and reserve factor. The adjusted net operating income is then capitalised at a capital rate of 6.75%. Two different approaches were used for the properties in South Africa. One has been to project income for a 5 or 10-year period (based on contractual arrangements) from which forecasted expenses are deducted to arrive at the net annual income which is discounted to present value. The sum of these discounted yearly values is added to the residual value which is the anticipated selling price of the property at commencement of year 6 or 11 also discounted to present value. The other approach used has been to estimate the gross annual income taking into account the lease agreement, to deduct normal expenses and then capitalise the net income at an appropriate investment rate. In determining the valuations, the valuer referred to current market conditions, recent sales and rental transactions of similar properties in similar geographical locations. In estimating the fair value of the properties, the highest and best use of the property is their current use.

Commercial properties
The Group considers all of its commercial properties to fall within Level 3 of the fair value hierarchy. The valuations are based on various unobservable inputs, including older evidence and recent sales of similar properties. The commercial properties were valued on 30th September 2020 by independent valuers Mark Ledger and Tim Moulder FRICS FIV (SA) with Mills Fitchet Magnus Penny & Wolffs. Both are suitably independent valuers, experienced in the location and category of the property being valued, at current market values, on an open market basis. The sensitivity of these valuations is dependent on fluctuations in the availability of similar properties at the point of valuation and changes in the specific inputs are detailed below. In determining the valuations, the valuer referred to current market conditions, recent sales and rental transactions of similar properties in similar geographical locations. In estimating the fair value of the properties, the highest and best use of the property is their current use.

Any assumptions made by the valuer are reviewed by the board for their reasonableness. The principal assumptions are:

Description	Unobservable input rates	Range of inputs (probability weighted average)		Effect on fair value of an increase in the unobservable input rate
		2020	2019	
a) South Africa				
Investment properties	Discount %	15.0	16.0	Decrease
	Reversionary capitalisation %	10.0	10.0	Decrease
	Capitalisation %	10.2	10.1	Decrease
	Expense growth %	6.0	7.0	Decrease
	Rental growth %	6.0	6.0	Increase
Commercial properties	Net rent (USD)	3.6	3.3	Increase
	Capitalisation rate %	8.9	8.8	Decrease
	Open Market selling price (USD per square metre)	584	645	Increase
b) United States				
Investment Properties	Vacancy rate %	10.0	10.0	Decrease
	Capitalisation rate %	6.7	7.0	Decrease

28. SUBSIDIARIES

The following companies, which are the principal active subsidiaries of Marshall Monteagle PLC, have been included in the Consolidated Financial Statements of the Group, being those companies in which the Group, directly or indirectly, has an interest and is able to exercise control over the operations. These entities have year ends coterminous with that of the Company. The percentage of voting rights held is the same as the ownership percentage.

Principal activity – Import and distribution companies
Wholly owned

Europe	Monteagle International Limited
	Monteagle International (UK) Limited
	High Altitude Coffee Company Limited
South Africa	Monteagle Consumer Group Limited
	Global Coffee Exports Limited
Switzerland	Monteagle International AG
Owned 50.1%	
South Africa	L&G Tool and Machinery Distributors Limited

Principal activity – Property holding companies
Wholly owned

South Africa	Monteagle Property Holdings Proprietary Limited
United States	Monteagle Inc

Principal activity – Investment holding and intermediate Group holding companies
Wholly owned

Europe	Monteagle Merchant Group Limited
South Africa	Monteagle Merchant Group Southern Holdings Limited
	Monteagle Merchant Group Southern Holdings 2 Limited

29. INTERNATIONAL FINANCIAL REPORTING STANDARDS

a) Standards and Interpretations effective since 1st October 2019

The following new and revised standards were adopted in these financial statements. The impact of the adoption of these standards was not significant.

IFRS 3	Business Combinations – Annual improvements
IFRS 9	Financial Instruments – Technical changes
IFRS 16	Leases – New standard
IFRIC 23	Uncertainty over Income Tax Treatments – Technical changes
IAS 12	Income Taxes – Annual improvements
IAS 23	Borrowing Costs – Annual improvements
IAS 28	Investments in Associates and Joint Ventures – Technical changes

b) Standards in issue, not yet effective

At the date of issue of these financial statements, the following Standards and Interpretations, which may have impact on the financial statements, were in issue, but not yet effective.

IFRS/ IFRIC/ IAS	Title	Effective for annual periods beginning on or after
IFRS 3	Business Combinations – Technical changes	1 January 2020
IAS 1	Presentation of Financial Statements – Technical changes	1 January 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Technical changes	1 January 2020

The Directors have considered the impact of the adoption of these standards and have determined that the impact will not be material.

30. EVENTS AFTER THE REPORTING DATE

The Directors have approved the payment of a final dividend of US$1.9 cents, (2019 – US$1.9 cents) making a total of US$3.8 cents (2019 – US$3.8 cents) for the year. Details and salient dates of the dividend were published onThursday, 24th December 2020.

Certain companies within the Group have been involved in legal proceedings against former employees and former consultants. The case against one former employee based in the UK has been settled, and a settlement sum of £225,000 has been received after the year end. Two former employees based in South Africa have been found by the South African court to have breached their employment contracts and were ordered to cease those breaches and return company information. That order was breached and proceedings for contempt of court were pursued. Those proceedings were settled after the year end upon receipt of apologies from the two former employees and a contribution towards costs. Separate proceedings are on-going in South Africa involving a claim from a former consultant and the Group's counter claim for financial damages from him. A claim is also being pursued in Jersey against the same former consultant where financial damages are also claimed. It is expected that those Jersey proceedings will only be heard later in 2021 or early 2022 and therefore it is too early to quantify the outcome of the proceedings, however it is not expected it will result in a liability.

In November 2020 the Group sold to a private equity company a controlling stake in the companies involved in importing, processing, and distributing coffee in South Africa for U$1,500,000 (note 7).

The Directors submit their report for the year ended 30th September 2020

PRINCIPAL ACTIVITIES

The Company is incorporated as a public limited company in Jersey, Channel Islands. Its activities in Jersey comprise the central supervision and control of the Group's investments in its operating subsidiaries and the supervision of a general investment portfolio. The Company's shares are listed on the JSE Limited.

The Group owns a commercial property in the United States of America. In South Africa, the Group owns and manages multi-tenanted rent producing properties. In South Africa, Europe and the Middle East it operates trading businesses involved in the importation and distribution of hand tools, machinery and non-perishable food products, coffee roasting, importing and exporting and trading in metals and minerals.

OPERATING REVIEW

The Group profit on continuing and discontinued operations, after tax and non-controlling interests, was US$387,000 compared to US$7,730,000 for the previous year. Earnings per share were US$1.0 cents (2019– US$21.6 cents). A detailed review of the Group's operations is set out in the Business Review on pages 5 and 6. A detailed analysis of the Group's operations is set out in note 3 on pages 18 to 21.

DIVIDENDS

An interim dividend of US$1.9 cents (2019 – US$1.9 cents) was declared and paid on 17th July 2020.
A final dividend of US$1.9 cents per share for the year ended 30th September 2020 (2019 – US$1.9 cents) was paid on 22nd January 2021 to those shareholders on the register at the close of business on 15th January 2021.

DIRECTORS

A list of the Directors of the Company and short biographies for them is shown on page 2.

In accordance with the Company's Articles of Association, Mr. E.J Beale retires and, being eligible, offers himself for re-election at the Annual General Meeting.

The interest in the shares of the Company of the Directors who held office during the year were as follows:

	30th September 2020		30th September 2019	
	Beneficial	**Non-Beneficial**	Beneficial	Non-Beneficial
A.R.C. Barclay +	-	-	-	-
D.C. Marshall #	-	17,430,846	-	17,430,846
E.J. Beale	-	-	-	-
R.C. Kerr	20,000	-	20,000	-
D.J. Douglas	-	-	-	-
B.C.B. Newman	-	-	-	-

These non-beneficial holdings arise, wholly or partly, because the individual concerned was also a director or trustee of entities that hold shares in the Company.
+ Mr A.R.C. Barclay retired from the Board on 15th May 2020

DIRECTORS (continued)

Since the reporting date and at the date of this report there have been no changes in the above holdings. None of the shares held by Directors has been encumbered or pledged as security or by way of guarantee or collateral.

The appointment of each Director is subject to terms and conditions set out in letters of appointment.

The remuneration paid to, or receivable by, the Directors for the year and the previous year, is as follows: -

		Parent Company Director's fee US$000	Other US$000	**2020 Total US$000**	2019 Total US$000
A.R.C. Barclay	*Non-Executive*	31		**31**	50
D.C. Marshall	*Executive*	41	209	**250**	258
E.J. Beale	*Executive*	101		**101**	140
R.C. Kerr	*Non-Executive*	42		**42**	41
D.J. Douglas	*Non-Executive*	41		**41**	5
B.C.B. Newman	*Non-Executive*	41		**41**	41
M.A. Pesco	*Non-Executive*	-	-	**-**	36
Total		297	209	**506**	571

No other payments or benefits were paid to, or receivable by, the Directors. All fees paid to companies with which any of the Directors are connected are disclosed in note 23 on page 37.

COMPANY SECRETARY

In accordance with the JSE Listings Requirements, the Board has conducted an annual assessment through a review of the services provided, and the individuals providing those services, to satisfy itself (i) on the competence, qualifications and experience of City Group PLC, the Company Secretary; and (ii) that there is an arm's length relationship between the Board and the Company Secretary and that the Company Secretary is not a director. City Group PLC and the Company have Directors in common, as set out in note 23 to these accounts. The Board is satisfied that any potential conflict can be managed.

SUBSTANTIAL INTERESTS

At the date of this report, the following holdings represented 5% and over of the issued share capital of the Company:

	Shares	%
Lynchwood Nominees Limited	21,647,072	60.4
Corwil Investments Holdings (Proprietary) Limited	2,051,512	5.7
Mr. J.P. Lobbenberg	1,812,452	5.1

The Company has not been notified of any other shareholdings that exceeded the threshold of 5%, in the capital of the Company. There is no ultimate controlling party.

ANALYSIS OF SHAREHOLDINGS

Details of the Directors' interests can be found on page 44. At the date of this report, the disclosure of public and non-public holdings was as follows:

	Shareholders	Shares	%
Non-public shareholdings	4	22,454,929	62.6
Public shareholdings	877	13,402,583	37.4
	881	35,857,512	100.0

SHARE CAPITAL

There have been no changes in the issued share capital during the year and the Company does not have a share incentive scheme. There were no repurchases of the Company's shares during the period under review.

There were no issues of shares for cash during the year under review. The Board is putting a Special Resolution (resolution number 7) to its shareholders at the forthcoming Annual General Meeting which will grant the Company a general authority for the repurchase by the Company, or any of its subsidiaries, of shares issued by the Company. If the resolution is passed, this authority will be valid until the earlier of the next Annual General Meeting of the Company or the variation or revocation of the general authority by special resolution at any subsequent general meeting of the Company, provided that the general authority shall not exceed beyond fifteen months from the date of this Annual General Meeting. The effect of any repurchases under the special resolution will be to reduce the number of shares in issue. In terms of the JSE Listings Requirements any general repurchase by the Company must, inter alia, be limited to a maximum of 20% of the Company's issued share capital in any one financial year of that class at the time the authority is granted.

In accordance with JSE Listings Requirements, the Directors state that:

- The intention of the Directors is to utilise the general authority to repurchase shares in the Company if at some future date the cash resources of the Company are in excess of its requirements, or there are other good grounds for doing so. In this regard the Directors will take account of, inter alia, an appropriate capital structure for the Company, the long-term cash needs of the Company and the interests of the Company;
- In determining the method by which the Company intends to repurchase its shares, the maximum number of shares to be repurchased, and the date on which such repurchase will take place, the Directors of the Company will only make the repurchase if they are of the opinion that:
  - the Company and its subsidiaries will, after the repurchase of the shares, be able to pay their debts as they become due in the ordinary course of business for the next twelve months;
  - the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with IFRS and recognised and measured in accordance with the accounting policies used in the latest audited financial statements will, after the repurchase, be in excess of the consolidated liabilities of the Company and its subsidiaries for the next twelve months after the date of this notice of the Annual General Meeting;
  - the issued share capital and reserves of the Company and its subsidiaries will, after the repurchase of the shares, be adequate for ordinary business purposes of the Company or any acquiring subsidiary for the next twelve months; and
  - the working capital available to the Company and its, or any acquiring subsidiaries, will, after the repurchase, be sufficient for ordinary business requirements for the next twelve months.

The JSE Listings Requirements require the following disclosure, some of which is already stated elsewhere in this Annual Report to which the notice of Annual General Meeting forms part:

- general information in respect of Directors and management (page 2), major shareholders (page 45), Directors' interests in securities (page 44) and the share capital of the Company (page 46);
- there has been no material change to the financial or trading position of the Company since the signature of the audit report and up to the date of the notice of Annual General Meeting;
- the Company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the Company is aware that may have, or have had, in the previous 12 months, a material effect on the Group's financial position; and
- the Directors, whose names are given on page 2 of the Annual Report to which the notice is attached, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made, and that the notice contains all the information required by law and the JSE Listings Requirements.

CHANGE OF YEAR-END

The Board is proposing to change the Company's year-end from 30th September to 31st March in 2022 subject to the approval of the JSE being granted. Shareholders will be updated with regard to this proposed change in due course.

AUDITOR

On 27th November 2020, Saffery Champness GAT LLP, transferred its business to Grant Thornton Limited and the Directors have received a proposal from Saffery Champness GAT LLP to novate the existing letter of engagement to Grant Thornton Limited. The Directors have considered and approved the proposal for the novation of the existing letter of engagement and a resolution to appoint Grant Thornton Limited as auditor will be put to the Members at the Annual General Meeting.

By order of the Board,

CITY GROUP PLC

26th January 2021

Company Secretary

The Board recognises that good corporate governance facilitates effective leadership and long-term success. The Board is committed to the application of corporate governance best practices and it subscribes to the values of good corporate governance as set out in The King IV Report on Corporate Governance for South Africa, 2016 ("King IV"). Having reviewed the Group's compliance with the requirements of King IV, the Board is of the opinion that the Group complies with the principles embodied in King IV. Where appropriate, given the nature of the Group and the financial and human resources currently available to the Group, King IV recommended practices are followed.

The Company complies with the provisions of the Companies (Jersey) Law 1991 (Jersey being the Country of incorporation) and is operating in conformity with its Memorandum of Incorporation and constitutional documents.

Mr. R.C. Kerr is the Non-Executive Chairman of the Company. The other Non-Executive Directors are Mr. B.C.B. Newman and Mr. D.J. Douglas. Mr D.C. Marshall is the Chief Executive Officer of the Company and Mr E.J. Beale is the Financial Director.

The nomination of Directors is a matter for the entire Board and the Board as a whole oversees the recruitment process. There is, therefore, no nomination committee. When nominating new Directors, the Board is cognisant of its needs in terms of different skills, experience and gender and race diversity, in accordance with the Company's Board Appointment and Diversity policies. Due to the size of the Board, delegation of such matters is not deemed appropriate, however this decision is reviewed on an annual basis. The Board Appointment policy evidences a clear balance of power and authority at Board of Directors' level, to ensure that no one Director has unfettered powers of decision-making.

Directors are appointed through a formal and transparent process, which includes the identification of suitable candidates by the Board and performance and background checks being undertaken prior to each nomination. Curriculum vitae are obtained and circulated to all Board members. Interviews are conducted with potential candidates.

The Board will continue with proactive management of talent and the development of new skills to respond to changing market needs. At every Annual General Meeting one third of the Directors, or if their number is not three or a multiple of three, the number nearest to one third, are required to retire from office; but if any Director has at the start of the Annual General Meeting been in office for three years or more since their last appointment or re-appointment, they are required to retire at that Annual General Meeting. By following such practices, the process to nominate, elect and appoint members to the Board results in a Board fully equipped to discharge its responsibilities.

Board performance evaluation is a formal process that is internally facilitated with each board member completing a performance evaluation questionnaire each year. The Company Secretary oversees the evaluation process and the Board is satisfied that the evaluation process improves its performance and effectiveness. Through the Company's performance evaluation practices, the Board is able to evaluate and evolve its performance to ensure that it remains effective.

The Company is satisfied that its Board composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

The Board met on nine occasions during the year under review and attendance at those meetings is tabled below:

Director	Possible attendance	Attended
A.R.C. Barclay	7	7
D.C. Marshall	9	9
E.J. Beale	9	9
R.C. Kerr	9	9
B.C.B. Newman	9	9
D.J. Douglas	9	9

Appropriate reporting lines and delegations of authorities are in place between the Board and management. Formal delegations of authority have been made pursuant to the charter documents for the Board and its committees. The Company has Executive Directors that serve as the chief link between management and the Board. Each operational subsidiary is responsible for resourcing its key management functions, with the relevant Executive Directors providing oversight and guidance. Such practices allow the Group to resource positions and delegate responsibilities effectively whilst retaining the Group's decentralised structure.

Group strategy is prepared by the Board with input from executive management and is reviewed by the Board on a regular basis. The Group's core purpose is to maximise returns for its shareholders through sustainable means, whilst being mindful of the interests and expectations of stakeholders. The Board has oversight of each trading subsidiary's performance, further safeguarding the Group's general viability. Furthermore, prior approval from Group management is required before any significant changes are made to a subsidiary's trading operations, further confirming the Board's oversight and governance of the Group.

The Board reviews its charter documents annually and is satisfied that it has fulfilled its responsibilities in accordance with its charter and the Companies (Jersey) Law relating to its incorporation for the reporting period. The Board oversees the management and governance of the Group, providing effective, entrepreneurial and prudent management that can deliver the long-term success of the Group.

The Board encourages proactive engagement with stakeholders, including engagement at the Annual General Meeting of the Company. The Company Secretary also has a dedicated email address for stakeholders to engage with the Company and responses to stakeholder queries are provided in a timely manner. Due to the composition of the Company's stakeholder base, stakeholder relations are managed without recourse to formal policies and procedures.

The Company's stakeholders are kept fully informed with regards to the Group's performance and are able to assess the Group's prospects. Reports, policies and financial information published by the Company are uploaded to the Company Secretary's website for consideration by its stakeholders.

The Board as a whole has a working understanding of the effect of applicable laws, rules, codes and standards on the Group and its business. However, the diversity of Group operations means that each individual Director does not have a working understanding of every applicable regulation. Operating subsidiaries are responsible for the implementation and execution of their own compliance management. Material compliance matters are kept under review by subsidiary company management and reported to the Board.

The Board meets regularly and through its executive Directors retains full and effective control over the Group. Directors undertake individual continuing professional development programmes to remain up to date in their areas of expertise and annual formal evaluations of the performance of the Board and its committees ensure effective leadership. By monitoring effectiveness through annual reviews and questionnaires, the Board ensures that it is able to lead effectively.

Ethics permeates everything that an organisation and its employees do and the Board is committed to ethical leadership. Due to the size, decentralised nature and entrepreneurial management style of the Group, each operating subsidiary is responsible for managing ethics within a framework set by the Board.

South African legislation, in accordance with King IV and the JSE Listing Requirements, requires South African companies to establish a social and ethics committee. Having regard to its annual turnover, the size of its workforce and the nature and extent of its activities, the Board has allocated oversight of, and reporting on, social and ethical matters such as organisational ethics, corporate citizenship, sustainable development and stakeholder relationships to the Remuneration Committee. The Remuneration Committee met once in the financial year to discuss social and ethical matters and all members of the Committee attended the meeting.
The responsibilities of the Remuneration Committee with regards to social and ethical matters are:

- To provide oversight of the Group's activities with regards to social and ethical matters, including corporate citizenship, organisational ethics, stakeholder relationships and sustainable development.
- To report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- To make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Board encourages ethical behaviour throughout the Group's operations which should ensure automatic compliance with sensible regulations.

Policies such as the Company's Board Appointment and Diversity policies and the implementation in respect thereof, provide an ethical approach to Board appointments and composition taking cognisance of the Board's needs in terms of gender, race, different backgrounds, skills, experience and other factors. Copies of the Company's policies are available on the Company Secretary's website: http://www.city-group.com/marshall-monteagle-plc/

The Remuneration Committee will monitor and provide feedback on the social and ethics policies and activities reported to it by the Group's principal subsidiaries. These practices enable the Group to govern ethics in a way that supports the establishment of an ethical culture without disrupting the entrepreneurial nature of the Group.

Corporate citizenship issues are devolved to the management of the individual operating businesses of the Group, with the Board considering any matters regarding corporate citizenship that are material to the Group's affairs. Material matters relating to corporate citizenship are kept under review by subsidiary company management and reported to the Board.

Material risks are kept under review by subsidiary company management and reported to the Executive Directors. Details of principal operational risks that the Group is exposed to and how these risks are mitigated can be found on page 39. At least once a year the Audit Committee reviews the Company's risk management processes. By having oversight of the Group's material risks through subsidiary reporting, the Board is able to manage the Company's risk appetite effectively and in line with the Group's strategic objectives.

The decentralised structure and diverse nature of the Group makes common policies and centralised management of technology and information inappropriate. Technology and information matters are devolved to the management of the individual operating businesses within the Group. Material technology and information risks are kept under review by subsidiary company management and reported to the executive Directors. Technology and information risk management processes relating to financial reporting are reviewed by the Audit Committee at least once a year.

The Company's external auditor provides assurance on the summarised financial information. Such assurance arrangements are appropriate, based on the size and complexity of the Group. The Group does not have a separate internal audit function due to the decentralised structure of the Group and the diversity of operations. Each year, the Audit Committee reconsiders the need for an internal audit function.

Board committees:

Audit Committee

The Audit Committee comprises three independent Non-Executive Directors, Mr. D.J. Douglas (Committee Chairman), Mr. B.C.B. Newman and Mr. R.C. Kerr. The Financial Director and the external auditor, who have unrestricted access to the Chairman of the Committee, attend by invitation and management or independent third parties are invited to attend as appropriate. The Committee is responsible for, inter alia, reviewing the interim results and annual financial statements and associated announcements as well as understanding management's accounting processes and policies and the external auditor's involvement in these processes.

The Audit Committee met four times in the financial year. All Committee members were present at each meeting.

The specific responsibilities of the Committee include:

Internal control - reviewing the adequacy and effectiveness of management information and internal controls of the Company to support the Board in the discharge of its responsibilities and provide for the maintenance of proper accounting records and the reliability of financial information. Such a system of control can provide only reasonable and not absolute assurance against material misstatement or loss. Procedures are established which are designed to provide an effective system of internal financial control including the segregation of duties and management authorisation and review. In addition, the Company safeguards its interests in the Group by appointing directors to the boards of the subsidiary and associated companies.

Financial reporting - reviewing the accounting policies adopted, and any changes made, and the measures introduced by management to enhance the accuracy and fair presentation of all matters proposed for inclusion in the annual accounts, and any other reports prepared with reference to the affairs of the Company for external distribution or publication, including those required by any regulatory or supervisory authority.

External audit – recommending the appointment of external auditors for approval by the shareholders, reviewing their performance and monitoring their independence. The Committee also sets the principles for recommending the use of external auditors for non-audit purposes.

Internal Audit - The Group does not have a separate internal audit function due to the decentralised structure of the Group and diversity of operations, but the Committee exercises formal oversight through review of any matters brought to its attention by the Group auditor and others, and informal oversight by regular discussions with the Group Executive Directors, key management personnel of subsidiaries, and staff of City Group PLC. A director of the Company sits on the board of each operating subsidiary. The establishment of an internal audit function is considered annually.

Financial Director – evaluating the performance of the Financial Director during the year under review and providing feedback in this regard to the Board and the Financial Director.

Liquidity and solvency assessment – reviewing a liquidity and solvency test and considering all reasonable financial circumstances of the Company at the time. This will include considering whether the assets of the Company, as fairly valued, equal or exceed the liabilities of the Company, as fairly valued, and whether the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date on which the test is considered or, in the case of a distribution, 12 months following that distribution.

Sustainability reporting – this has been considered and due to the de-centralised nature of the Group, sustainability issues are devolved to the management of the individual operating businesses of the Group.

With regards to the above, the activities of the Committee included:

- review of accounting policies, significant estimates and of judgement, and the extent of disclosures in the accounts;
- review of the scope, independence and objectivity of the external auditor;
  On 27th November 2020, Saffery Champness GAT LLP transferred its business to Grant Thornton Limited and the Directors have received a proposal from Saffery Champness GAT LLP to novate the existing letter of engagement to Grant Thornton Limited. The Directors have considered and approved the proposal for the novation of the existing letter of engagement and a resolution to appoint Grant Thornton Limited as auditor will be put to the Members at the Annual General Meeting.
- reviewing and approving the fees proposed by the external auditor;
- confirming that to the best of the Committee's knowledge and belief, the appointment of the external auditor complies with the Jersey and South African companies acts, as amended, and with all other legislation relating to the appointment of external auditors;
- receiving confirmation from the external auditor that paragraph 22.15(h) of the JSE Listing Requirements has been complied with;
- reviewing the nature and extent of non-audit services provided by the external auditor to ensure that the fees for such services do not become so significant as to call into question their independence;
- pre-approval of the nature and extent of non-audit services;
- confirming that nothing has come to the attention of the Committee to indicate that there has been a material breakdown in the systems of internal control during the year;
- the Committee is satisfied with the appropriateness of the expertise and experience of the Financial Director and his performance during the year;
- the Group's financial reporting procedures are appropriate and those procedures are operating; and
- at the date of this report, no complaints have been received relating to the accounting practices of the Company or to the content or auditing of the Company's financial statements, or to any related matter.

Risk Factors

The Group is exposed to the following principal operational risks:

Reliance on key individuals - the Group's international trading operations, especially the smaller ones, are dependent on a limited number of key individuals. Should the Group lose their services for any reason, performance could be impacted in the short term. As the trading operations grow, the increasing size of their management teams reduces the dependence on key individuals.

Valuation of quoted investments - the Group has a substantial proportion of its net assets invested in global equities and while individual stock risk is diluted through the diversification in the portfolio, the Group is exposed to market risk which can lead to substantial co-ordinated reductions in the market values of the stocks in which the Group is invested. As a long-term investor with a liquid financial position the Group is able to ride out short term reductions of this nature. However, it remains exposed to long term reductions in market prices.

Property valuations - the Group owns a diversified portfolio of properties in South Africa and a multi-tenanted light industrial property in San Diego, California. The Group is exposed to risks resulting from major changes in property vacancy rates and valuations, including the risk that asset backing falls and is no longer sufficient to secure borrowing facilities. The Group as a whole remains lightly geared and regularly reviews the headroom between its borrowing levels and the value of properties used to secure such borrowings.

Exchange Rates - The Group remains exposed to exchange rate risks on the valuation of its stock market and property investments and the working capital of its international trading subsidiaries. This risk is reduced through diversification and borrowings denominated in foreign currencies.

Changes in regulatory environment - many of the Group's trading operations and a large number of its properties are based in South Africa and exchange controls apply in South Africa. There is a risk that future changes to South African exchange controls may restrict the extent to which these businesses can operate or may restrict the extent to which funds generated in South Africa may be remitted to Group companies based elsewhere. Other changes in regulations, such as tariffs and trade embargoes, and how they are applied, may have a material impact on the business environment and adversely affect the Group's operations or cash flow.

Global pandemic risk – the 2020 Covid-19 pandemic has had a significant impact on global economies and healthcare and the Group's operations and the safety of its staff in South Africa and overseas have been similarly affected. Depending on the severity and length of outbreaks, Covid-19 and other pandemics in the future will have a similar impact on the Group's business and its staff.

The key risks to the Group's staff based in South Africa and overseas include risks of virus exposure, especially to those who may be particularly at risk, and the need for countries to impose lock-down and travel restrictions on its communities, including the Group's staff, in an effort to prevent the spread of the virus.

The major risks to the Group's trading businesses include disruptions to our supply chains through restrictions on movement and transportation, business closures and the risk of increases in unemployment and the impact on our suppliers and changes in demand from our customers resulting in significantly reduced revenues. The businesses of all companies, including global blue-chip companies, are and will be affected by Covid-19 and other pandemics if further and prolonged outbreaks of such viruses take hold around the world and further lockdowns and movement restrictions are put in place. Economies will weaken leading to global recession and there will be an adverse impact on the Group's investments resulting in significantly, lower levels of dividend income.

In addition, the Group's trading subsidiaries are exposed to a number of operational risks including consumer demand, commodity prices, reputation and data risks. Such risks are monitored, mitigated and controlled through tailored structures and processes at the individual operating subsidiary level. The exposure of the Group is further mitigated by its investment diversification.

Remuneration Committee

The Remuneration Committee comprises three Non-Executive Directors, Mr. B.C.B. Newman (Chairman), Mr R.C. Kerr and Mr. D.J. Douglas. The Committee may invite at its discretion such other Directors and external advisers as it deems appropriate. The Committee determines and agrees with the Board the framework or broad policy for the remuneration of the Company's Chairman, Chief Executive, Executive Directors, Company Secretary and such other members of the executive management as it is designated to consider from time to time. The remuneration of Non-Executive Directors is a matter for the Chairman and executive members of the Board. No Director or manager is involved in any decisions as to their own remuneration. The Committee met once during the year and all members attended the meeting.

Remuneration Policy and Remuneration Implementation Report

The Remuneration Policy and the Remuneration Implementation Report have been prepared in accordance with the JSE Listings Requirements. Separate resolutions will be proposed at the Annual General Meeting of the Company to approve the Company's Remuneration Policy and the Remuneration Implementation Report.

Remuneration Policy Report

The Remuneration Policy aims to ensure that the Group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The objectives of the Remuneration Policy are to:

1. Attract, motivate, reward and retain human capital;
2. Promote the achievement of strategic objectives within the organisation's risk appetite;
3. Promote positive outcomes; and
4. Promote an ethical culture and responsible corporate citizenship.

Through the Remuneration Policy, members of the Board are provided with the appropriate incentives to encourage enhanced performance and are, in a reasonable manner, rewarded for their individual contributions to the success of the Company. The Remuneration Policy ensures that remuneration of Executive Directors is fair and responsible in the context of overall employee remuneration in the organisation by setting base pay and taking into account what is considered market standard as well as linking personal remuneration to Company performance.

At present, the Policy is to remunerate Directors by way of a fixed fee for their services. Fees are set at a level to attract, motivate and retain talented individuals. The maximum quantum payable to Directors is approved by the Board following recommendations from the Remuneration Committee. Increases to such fees will not be higher than inflation unless this can be justified having regard to the performance of the Company or additional responsibilities taken on by Directors.

Executive Directors are remunerated with an annual salary and variable payments, which are reviewed annually. The annual salary reflects the individual's skills, responsibilities and experience and supports the retention of Executive Directors of the calibre required to deliver the Company's strategic objectives. Variable payments incentivise Executive Directors to achieve key strategic outcomes on an annual basis. The mix between fixed and variable pay will be adjusted to reflect the personalities of the individual Executive Directors. The Board oversees the implementation and execution of the Remuneration Policy and ensures that the objectives of the Policy are achieved.

In the event that either the Remuneration Policy or the Remuneration Implementation Report, or both are voted against by shareholders exercising 25% or more of the voting rights exercised, the Company will include in its voting results announcement the following:

i) An invitation to dissenting shareholders to engage with the Company; and
ii) Details of the manner and timing of such engagement.

Remuneration Implementation Report

The purpose of the Remuneration Implementation Report is to set out the actual payments made to Directors in the financial year being reported on. Details of the remuneration paid to, or receivable by each Board member, for the reporting period is shown on the Directors' Report on page 45.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

The Companies (Jersey) Law 1991, requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards. Under the Companies (Jersey) Law 1991 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991 and amendments thereto. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all reasonable steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

GOING CONCERN

The Directors have established that there have been no events not in the ordinary course of business since the reporting date; all borrowing facilities are still in place; the substantial liquid resources held in the share portfolios are still available; and that there have been no major capital expenditure nor acquisitions since the reporting date. The Directors therefore believe that the going concern basis is appropriate for the Group.

Opinion

We have audited the consolidated financial statements of Marshall Monteagle PLC (the 'Parent Company') and its subsidiaries (together 'the Group') for the year ended 30 September 2020 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).
In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the Group as at 30 September 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law, 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Revenue is a material area of the consolidated financial statements and with various trading subsidiaries revenue recognition is complex in nature. Revenue includes consideration received for the sale of goods and rental income from properties and is a key factor in determining the performance of the Group. As a result, this could be subject to manipulation to enhance the performance of the Group. There is also a possibility of misstatement because of system or human error. As a result of our audit risk assessment, including our review of the business and control environment, we identified revenue recognition as a significant risk and a key audit matter and designed and implemented appropriate responses to address this.	We reviewed the accounting policies applied to revenue recognition for compliance with IFRS 15. Our audit procedures included the following: • Agreeing a sample of revenue transactions from initial documentation to the general ledger, including assessment of the controls in place where considered applicable. • Reviewing sales invoices, delivery notes and credit notes for cut-off issues. • Controls over the processing of revenue were reviewed and their implementation assessed. • Recalculation of rental revenue based on lease agreements. • Evaluating the Group's revenue recognition policy and management's current year accounting assessment for the fair value of consideration receivable based on the contracts entered into. No material issues or misstatements were identified following the completion of these procedures which required reporting to those charged with governance.
Valuation of commercial and industrial property The commercial and investment properties are material balances in the Group and their valuation within the consolidated financial statements is subject to significant judgement and estimation, as they are reported at fair value. This presents a heightened risk of misstatement due either to management override or error. As such, this is one of the main areas on which we focus our audit work. As a result of our audit risk assessment, including our review of the business and control environment, we identified the valuation of commercial and investment property as a significant risk and a key audit matter and designed and implemented responses to address this.	We reviewed the accounting policies applied to investment properties and property, plant & equipment for compliance with IAS 40 and IAS 16. Our audit procedures included but was not limited to the following: • Obtaining independent valuation reports for the properties and agreeing these to the valuations per the financial statements. • Assessing the inputs into the valuations, including reviewing and evaluating the assumptions used by the valuers and consideration of the reasonableness of other ranges of estimates, where necessary. • Assessing the competency of the independent valuer under the requirements of ISA 620. Where required, we made additional enquiries or performed additional audit work, such as physical verification and review of title deeds. No material issues or misstatements were identified following the completion of these procedures which required reporting to those charged with governance.

Valuation of inventories Inventories represents a material area of the financial statements and their valuation is subject to significant judgement and estimation. As issues can arise in relation to obsolete inventory and cut-off, this was an area of focus when we reviewed the component auditor responses. As a result of our audit risk assessment, including our review of the business and control environment, we identified the valuation of inventories as a significant risk and a key audit matter and designed and implemented responses to address this.	Our audit procedures included the following: • Attending inventory counts and performing test counts. • Auditing the carrying value of items of inventory by comparison to invoices and selling prices. • Reviewing the ageing of inventory held to determine whether any inventory was old or obsolete and, therefore, may have required impairment. • Reviewing the relevant documentation for the cut-off of stock and determining if there are stock in transit and the accounting of it. We also reviewed the accounting policies applied to inventories for compliance with IAS 2. No material issues or misstatements were identified following the completion of these procedures which required reporting to those charged with governance.
Consolidation We considered the number of entities included within the Group and our historical assessments of the consolidation process. The Group is large and complex, with numerous entities operating in different industries over multiple jurisdictions. As such, there is an increased risk of error associated with the consolidation of the Group financial statements. As a result of our audit risk assessment, including our review of the business and control environment, we identified the consolidation as a significant risk and a key audit matter and designed and implemented responses to address this.	The audit work performed included, but was not limited to: • Reviewing the consolidation workbooks alongside the audited accounts of the subsidiaries to assess whether the subsidiary balances had been accurately included within the consolidation workbook. • Reviewing the intercompany reconciliation prepared by the Group against the component financial statements to assess whether all such transactions or balances had been recorded and eliminated on consolidation. • Checking all other consolidation adjustments for reasonableness, accuracy and completeness. • Assessing the completeness of Group financial statement disclosures by review of the subsidiary financial statement disclosures. • Asking management to perform further work where additional information deemed necessary. We also reviewed the accounting policies applied to the consolidation process for compliance with IAS 27. No material issues or misstatements were identified following the completion of these procedures. Some recommendations have been made to those charged with governance to improve the quality and effectiveness of the consolidation process.

Going concern risk arising from Coronavirus pandemic During the financial year the Covid-19 pandemic has had a significant impact on economies around the world with global financial markets heavily affected in the early stages. The Group itself has of course been affected by the pandemic, however management have taken appropriate steps to ensure the Group remains profitable. Despite the pandemic, the Group continues to fund additional working capital requirements of growing trade business from its cash resources. The Group's cash balances and the proceeds of disposal of Monteagle Africa will support growth in this segment of the business. Due to the uncertainty and potential significance of the application of the going concern assumption, this is considered a key audit matter.	Our audit procedures included the following: • Review of work performed by component auditors over going concern and the impact of Covid-19 on subsidiary operations. • Management's opinion was obtained in regards to going concern at a group level and was assessed during our review of the group financial statements. • Obtaining and assessing accuracy of data used in preparation of the going concern assessment and cash flow forecasts. • Performing sensitivity analysis on key assumptions and testing the mathematical accuracy of forecasts. • Considering the ongoing impact of Coronavirus upon going concern and assessing the appropriateness of the related disclosures in the financial statements. Post year end minutes were obtained and reviewed for any evidence of financial difficulties. Based on our procedures, we concur with the appropriateness of the directors' use of the going concern basis of preparation for the Group's financial statements and related disclosures.

Our application of materiality

The scope of our audit was influenced by our application of materiality. Our overall objective as auditor is to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement. Misstatements may arise due to fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
We determined a quantitative threshold for materiality using professional judgement in the context of our knowledge of the Group, including consideration of factors such as the growth in underlying values and the controls in place. This threshold is set out below. This, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements.
We set our overall consolidated financial statement materiality level at 1.5% of the Group's projected revenue, based on the interim consolidation to 31 March 2020, being $1,925,000.
The above level was determined based on the revenue of the Group, as this is the key area of the consolidated financial statements in which the users of the financial statements will be interested and is also a generally accepted benchmark for entities of this nature.

An overview of the scope of our audit

As part of our audit process, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. As noted above, materiality is determined as the level at which misstatements, either individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, through review of their design and implementation, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

As auditor of the Group, part of our audit planning included assessing the materiality of the components and identifying those for which we needed to dispatch Group Audit Instructions ('GAI') or specific letters to component auditors. These GAI and specific letters contained details of the audit procedures which we required the component auditors to complete on our behalf. The significance of a component was determined by a combination of factors, including materiality, by reference to turnover, net assets and profit before tax, and risk factors e.g. regulated business. This assessment was based on the transactions and balances per the interim consolidation to 31 March 2020. Specific letters were issued to component auditors in respect of subsidiaries which were not considered to be significant but contained individual material balances or transactions for which we required assurance. The information received in response to these GAI and specific letters was reviewed as part of our audit. Where deemed necessary, some testing was also performed in areas audited by the component auditors.

Our audit scope was influenced by our application of materiality as, in planning the audit; we made judgements about misstatements that would be considered material. These judgements provided a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing and extent of further audit procedures.

After completing our risk assessment we tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which the Group operates.

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law, 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Group;
- proper returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 55, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Directors on 10 February 2011 to audit the consolidated financial statements for the year ending 30 September 2011. Our total uninterrupted period of engagement is 10 years, covering the period from 1 October 2010 to 30 September 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with section 113(A) of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Jamie Cassell
For and on behalf of Saffery Champness GAT LLP
Chartered Accountants
St. Sampson
Guernsey

26th January 2021

Contact and Addresses

GROUP OFFICES

REGISTERED OFFICE
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St Helier
Jersey JE1 1GH

COMPANY SECRETARY
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Tel: +44 20 7796 9060
E-mail: monteagle@city-group.com

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La Lucia, 4051
(PO Box 4126, The Square 4021)
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REGISTRARS

JERSEY
Computershare Investor Services (Jersey) Limited
13 Castle Street
St. Helier
Jersey JE1 1ES

Tel: + 44 (0)1534 281 820

SOUTH AFRICA
Computershare Investor Services (Proprietary) Limited
15 Biermann Avenue
Rosebank
2196 South Africa
(PO Box 61051) Marshalltown 2107
Tel: +27 11 370 5000

BANKERS

Credit Suisse (Switzerland) Ltd.
Bahnhofstrasse 17
6300 Zug
Switzerland

HSBC Bank Plc
City of London Commercial Centre,
28 Borough High Street,
London, SE1 1YB

First National Bank Limited
Shop 116,
1-3 Sunset Crescent
Kwa Zulu Natal, 4320, South Africa

INDEPENDENT AUDITOR

Saffery Champness GAT LLP
PO Box 141
La Tonnelle House,
Les Banques,
St. Sampson, GY1 3HS
Guernsey

SPONSOR

Sasfin Capital
(a member of the Sasfin Group)
29 Scott Street,
Johannesburg, 2090,
South Africa

NOTICE is hereby given that the Annual General Meeting of Marshall Monteagle PLC (the "**Company**") will be held at its registered office at 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey, JE1 1GH on Friday, 14th May 2021 at 12 noon for the purposes set out below.

The minimum percentage of voting rights that is required for resolutions 1 to 6 (inclusive) to be passed is 50% plus one vote of all votes cast on each such resolution.

1. To receive and adopt the Report of the Directors and Audited Accounts for the year ended 30th September 2020.

2. To approve the Remuneration Policy in the form set out on pages 52 and 53 in the Company's Annual Report and Accounts for the year ended 30th September 2020.

3. To approve the Remuneration Implementation Report in the form set out on pages 52 and 53 in the Company's Annual Report and Accounts for the year ended 30th September 2020.

4. To re-elect Mr. E.J. Beale as a Director.

5. Following the transfer of the business of Saffery Champness GAT LLP to Grant Thornton Limited, to appoint Grant Thornton Limited as auditor and to authorise the Directors to determine their remuneration.

The minimum percentage of voting rights that is required for resolutions 6 to 7 to be passed is 75% plus one vote of all votes cast on the resolution.

6. In accordance with the Listings Requirements of JSE Limited, to grant the Directors of the Company general authority to issue ordinary shares of US$0.25 each for cash as and when suitable situations arise, subject to the following limitations:

- that this general authority shall be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond fifteen months from the date of the passing of this ordinary resolution (whichever period is shorter).

- any such issue will only be made to public shareholders as defined in the JSE Listings Requirements and not to related parties;

- the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;

- the general issue of shares for cash in the aggregate in any one financial year may not exceed 15% of the Company's issued share capital of that class (being 5,378,627 ordinary shares at the date of the notice of Annual General Meeting).

- any securities issued under this general authority during the period which the general authority is valid, must be deducted from the number of securities referred to above;

- in the event of a sub-division or consolidation of issued shares during the period of the general authority, the existing authority must be adjusted accordingly to represent the same allocation ratio;

- that in determining the price at which an issue of shares will be made in terms of this general authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares in question, as determined over the 30 days prior to the date that the price of the issue is determined or agreed between the Company and the party subscribing for the securities; and

- after the Company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the price of the issue is agreed in writing between the Company and the party subscribing for the shares and the effect of the issue on net asset value, net tangible asset value, earnings and headline earnings per share), or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time.

7. To approve the repurchase by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the Directors of the Company (or the directors of the subsidiary company as the case may be) may from time to time determine, but subject to the Memorandum of Incorporation of the Company or any of its subsidiaries, as the case may be, the provisions of the Companies (Jersey) Law 1991 as amended, the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that:

- any such repurchase of shares shall be affected through the order book operated by the JSE trading system or other manner approved by the JSE and done without prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);

- this general authority shall only be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond fifteen months from the date of passing of this special resolution;

- a paid press announcement containing full details of the repurchases will be published as soon as the Company and/or its subsidiaries has/have repurchased shares constituting, on a cumulative basis, 3% of the number of shares of the class of shares repurchased in issue at the time of granting of this general authority, and each time the Company acquires a further 3% of such shares thereafter;

- repurchases by the Company and its subsidiaries of shares in the share capital of the Company may not, in aggregate, exceed in any one financial year 20% (or 10% where such repurchases relate to the repurchase by a subsidiary) of the Company's issued share capital of the class of shares repurchased from the date of the grant of this general authority;

- at any point in time, the Company will only appoint one agent to affect any repurchase(s) on its behalf;

- in determining the price at which the Company's shares are repurchased by the Company or its subsidiaries in terms of this general authority, the maximum price at which such shares may be repurchased may not be greater than 10% above the weighted average of the market price at which such shares are traded on the JSE, as determined over the five business days immediately preceding the date of the repurchase of such shares by the Company or its subsidiaries;

- The Directors resolve: that they authorised the repurchase, that the Company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Group; and

- The Company may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of such repurchase has been submitted to the JSE in writing. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.

Further information about this resolution can be found in the Directors' Report on page 46.

Further information which is required in terms of the JSE Listings Requirements can be found as follows:

- Major shareholders – page 45 of the 2020 Annual Report and Accounts;
- Company's share capital – page 35 of the 2020 Annual Report and Accounts;
- Directors' responsibility statement – page 54 of the 2020 Annual Report and Accounts; and
- Material change – page 43 of the 2020 Annual Report and Accounts

Important dates to note:

Record date for receipt of notice purposes	Friday, 15th January 2021
2020 Annual Report and Accounts posted on	Thursday, 28th January 2021
Last day to trade in order to be eligible to participate in and vote at the Annual General Meeting	Tuesday, 4th May 2021
Record date for voting purposes "voting record date"	Friday, 7th May 2021
Last day to lodge forms of proxy for the Annual General Meeting	Wednesday, 12th May 2021
Annual General Meeting at 12.00	**Friday, 14th May 2021**
Results of Annual General Meeting released on SENS	Friday, 14th May 2021

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

By order of the Board,

26th January 2021

CITY GROUP PLC
Company Secretary

Notes:

(i) A shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of the shareholder, and a proxy need not also be a shareholder. Any company being a shareholder of the Company may execute a proxy form under the hand of a duly authorised officer.

(ii) A proxy form is enclosed with this document. If you are a certificated or own-name registered dematerialised shareholder, you are requested to complete and return the proxy form whether or not you intend to attend the Annual General Meeting. In order to observe ongoing restrictions on social distancing and public gatherings in the light pf the Covid-19 pandemic, only the Chairman and one other nominated Shareholder will attend the Annual General Meeting to ensure that the meeting is quorate. Other Shareholders and third parties will not be permitted to attend the meeting and will be refused entry.

Shareholders are therefore encouraged to appoint the Chairman as their proxy (by submitting their Form of Proxy by post or by email to #JERegistryRMs@computershare.co.je for shareholders on the Jersey register and Proxy@Computershare.co.za for shareholders on the South African register as soon as possible.

(iii) To be effective, the proxy form, duly completed, must arrive at the registered office of the Company not less than forty-eight hours before the time fixed for the meeting, being 12 noon on 12th May 2021. Proxy forms sent to the office of a transfer agent for forwarding to the Company, at shareholders' risk, must be received by the transfer agent not less than forty-eight hours before the time fixed for the meeting, being 12 noon on 14th May 2021 at the following respective addresses:

Jersey/United Kingdom Shareholders: Computershare Investor Services (Jersey) Limited	South African Shareholders: Computershare Investor Services (Proprietary) Limited
13 Castle Street St. Helier Jersey JE1 1ES	15 Biermann Avenue Rosebank 2196 South Africa (PO Box 61051) Marshalltown 2107

(iv) Shareholders who have dematerialised their ordinary shares through a Central Securities Depository Participant ("CSDP") or broker, other than own-name registered dematerialised shareholders, and who wish to attend the Annual General Meeting must request their CSDP or broker to issue them with a Letter of Representation. Alternatively, dematerialised shareholders other than own name registered dematerialised shareholders, who wish to be represented, must provide their CSDP or broker with their voting instructions in terms of the custody agreement between them and their CSDP or broker in the manner and within the time-frame stipulated.

(v) Any shareholder of the Company may authorise any person to act as its representative at the Annual General Meeting by a properly executed Letter of Representation to be produced at the Annual General Meeting.

CHANGE OF ADDRESS

Shareholders are requested to advise the Jersey transfer agents, Computershare Investor Services (Jersey) Limited, or the South African transfer agents, Computershare Investor Services (Proprietary) Limited, of any change of address. The addresses of the Registrars can be found on page 61.

MARSHALL MONTEAGLE PLC

Registered Office:
2ndFloor, Gaspé House, 66-72 Esplanade, St Helier, Jersey JE1 1GH
(Registered no. 102785)
(the "**Company**")

Proxy Form for Annual General Meeting

Proxy form for the Annual General Meeting of shareholders to be held at the Company's registered office at 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey JE1 1GH on Friday, 14th May 2021 at 12 noon and at any adjournment thereof.

The undersigned being the holder of _____ shares in the Company hereby appoints as their proxy at the above mentioned meeting _____or the chairman of the meeting to whom they give all powers to represent them at the said meeting, to take part in all deliberations and to vote in their name according to the instructions set out below and to perform all acts necessary to give effect to the resolutions contained in the agenda as follows:-

No.	Resolution	For	Against	Abstention
1.	To receive and adopt the Report of the Directors and Audited Accounts for the year ended 30th September 2020.			
2.	To approve the Remuneration Policy in the form set out in the Company's 2020 Annual Report and Accounts for the year ended 30th September 2020.			
3.	To approve the Remuneration Implementation Report in the form set out in the Company's 2020 Annual Report and Accounts			
4.	To re-elect Mr. E.J. Beale as a Director.			
5.	To appoint Grant Thornton Limited as auditor and to authorise the Directors to determine their remuneration.			
6.	To grant the Directors general authority to issue shares for cash.			
7.	To grant the Company or any of its subsidiaries general authority to acquire its own shares.			

Name of registered shareholder .....

Address .....

Signature .....

Notes

(i) A shareholder may appoint a proxy who need not be a shareholder of the Company. Any corporation being a shareholder of the Company may execute the proxy form under the hand of a duly authorised officer or attorney.

(ii) In order to observe ongoing restrictions on social distancing and public gatherings in the light pf the Covid-19 pandemic, only the Chairman and one other nominated Shareholder will attend the meeting to ensure that the meeting is quorate. Other Shareholders and third parties will not be permitted to attend the Meeting and will be refused entry.

Shareholders are therefore encouraged to appoint the Chairman as their proxy (by submitting their Form of Proxy by post or by email to #JERegistryRMs@computershare.co.je for shareholders on the Jersey register and Proxy@Computershare.co.za for shareholders on the South African register as soon as possible.

(iii) To be effective, the proxy form, duly completed, must arrive at the registered office of the Company at 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey JE1 1GH not less than forty-eight hours before the time fixed for the meeting being **12 noon on 12th May 2021**. Proxy forms sent to the office of a transfer agent for forwarding to the Company at shareholders' risk must be received by the transfer agent not less than forty-eight hours before the time fixed for the meeting being **12 noon on 14th May 2021**, at the following respective addresses:

Jersey/United Kingdom Shareholders: Computershare Investor Services (Jersey) Limited:	South African Shareholders: Computershare Investor Services (Proprietary) Limited
13 Castle Street St. Helier Jersey JE1 1ES	15 Biermann Avenue Rosebank 2196 South Africa (PO Box 61051) Marshalltown 2107

(iv) Shareholders should indicate with a cross (X) in the space provided above how they wish their votes to be cast. In the absence of specific instructions their proxy may vote as he thinks fit.

(v) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the Register of Members in respect of joint holdings.

(vi) Shareholders who have dematerialised their ordinary shares through a Central Securities Depository Participant ("**CSDP**") or broker, other than own-name registered dematerialised shareholders, and who wish to attend the Annual General meeting must ask their CSDP or broker to issue them with a Letter of Representation. Alternatively, dematerialised shareholders other than own name registered dematerialised shareholders, who wish to be represented, must provide their CSDP or broker with their voting instructions in terms of the custody agreement between them and their CSDP or broker in the manner and within the time-frame stipulated.

(vii) Any shareholder of the Company may authorise any person to act as its representative at the Annual General Meeting by a properly executed Letter of Representation to be produced at the Annual General Meeting.

Marshall Monteagle