

**MARSHALL  
MONTEAGLE PLC**

2021  
INTERIM REPORT  
AND DIVIDEND DECLARATION



# Marshall Monteagle PLC

Incorporated in Jersey, Registered No. 102785

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

30<sup>th</sup> June 2021

Dear Shareholder,

Marshall Monteagle is listed on the Johannesburg Stock Exchange and has a broad and diversified range of subsidiaries and investments. These fall broadly into the following categories:

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

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

The Directors report the results for the six months to 31<sup>st</sup> March 2021 and a dividend declaration.

## Overview

We are pleased to report that the incidence of Covid-19 amongst our work force has been limited and that we continue to learn new ways of working, taking into account the various national restrictions imposed to contain the Covid-19 epidemic.

Our trading businesses, as further explained below, have had a good first half, as we actively diversify our customer base and product offerings, with sales growing by 32% compared to the same period last year.

The value of the South African Rand, increased by 13% over the period. This has contributed to the turnover growth noted above, and to an increase in the value of our net assets denominated in South African Rands which are now US\$17.2m, equivalent to US\$0.48 cents per share (30<sup>th</sup> September 2020 – US\$0.38 cents per share).

The Group's balance sheet remains very strong, and the dividend is being maintained. At 31<sup>st</sup> March 2021, cash balances were US\$17.5m.

Our total net assets amount to US\$2.45 per share, which compares with US\$2.32 per share at 30<sup>th</sup> September 2020. Assets outside Africa, net of proposed dividends, stand at US\$70.1m, equivalent to US\$1.96 per share (30<sup>th</sup> September 2020 - US\$1.92 per share).

## Headlines

- Group revenue from continuing operations increased 32% to US\$82,843,000 compared to the restated revenue from continuing operations for the same period last year. In constant currency terms revenue on continuing operations increased by 31% to US\$82,363,000.
- Profit for the period was US\$1,507,000, compared to a loss after tax of US\$2,979,000 for the same period last year. In constant currency terms, the profit was US\$1,524,000.
- Headline earnings per share were US\$7.2 cents per share compared to restated loss of US\$14.3 cents per share in the same period last year.
- Basic earnings per share were US\$2.9 cents compared to a loss of US\$8.4 cents per share in the same period last year.

- An interim dividend of US\$1.9 cents per share will be paid on 30<sup>th</sup> July 2021 (30<sup>th</sup> September 2020 – US\$1.9 cents).
- Net assets per share are US\$2.45. Net assets per share have increased by 5% from the 30<sup>th</sup> September 2020 figure of US\$2.32 per share.

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

### **Import and Distribution**

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

Following the successful restructuring of our trading business over the past two years, we have diversified our principal trading book to include industrial raw materials supplied to the food and non-food manufacturing sectors in Southern Africa and South America.

The global Covid-19 pandemic has resulted in many challenges throughout the supply-chain, and we expect these challenging conditions to continue throughout the remainder of this year with limited forward visibility. Currency and raw material markets remain extremely volatile as expected and we are well positioned to manage and navigate these conditions.

Our Metals and Minerals business provides fully integrated marketing, logistics, finance, and shipping services to the Southern African mining industry. We are committed to partnering with producers who require a professional all-encompassing solution from collection ex mine through to delivery to end users on an international basis. This division continues to make good operational progress, and we are developing new partnerships: with miners in Southern Africa, and end users on an international basis. During the six months under review markets we trade in have been adversely affected by the global Covid-19 pandemic which has been further compounded by challenging logistics and shipping markets and significantly increased ocean-freight rates.

Our Tool & Machinery import and distribution business in South Africa traded well above the previous period. The sector in general is performing well with people spending more time in their homes busy with projects, maintenance and new hobbies, forced upon them by travel restrictions. Product inflation and the challenge of on time replenishment will have a major effect on future trading. Raw materials, shipping and labour costs have risen exponentially since lockdown, feeding through to increases in retail pricing.

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 8). Prior year comparatives have been restated accordingly.

### **Property Portfolio**

Rental income from our large multi-tenanted industrial property in San Diego is stable and the property remains fully let. The Group's South African commercial and light industrial property portfolio has achieved a satisfactory return in an uncertain economic climate with Covid-19 and the lockdown continuing to adversely affect the property sector. The Group has increased its focus on proactively managing tenant relationships while continuing to raise its administrative and operating efficiencies.

Covid-19 related concessions to tenants are unwinding and this is not anticipated to have a material impact on income.

**Investment Portfolios**

We have taken a more active approach to managing investments, seeking additional dividend income, and taking advantage of low trading costs, resulting in a higher volume of purchases and sales. The number of unlisted investments has increased from 1 to 3.

**Interim Dividend**

We are pleased to announce that the Company is to pay an interim dividend of US\$1.9 cents per share. The dividend is payable on Friday, 30<sup>th</sup> July 2021 to shareholders on the register at the close of business on Friday, 23<sup>rd</sup> July 2021.

**Summary**

The Group has come out of a difficult period last year, trading strongly in the first half, and having taken advantage of the disruption caused by Covid-19 to renew its focus on customers.

**R. C. Kerr**  
*Chairman*

**D.C. Marshall**  
*Chief Executive*

## Dividend declaration

We are pleased to announce that the Company is to pay an interim dividend of US\$1.9 cents (27.09647 South African cents) per share. The dividend is payable on Friday, 30<sup>th</sup> July 2021 to shareholders on the register at the close of business on Friday, 23<sup>rd</sup> July 2021.

Shareholders on the South African register will receive their interim dividend in South African Rand converted from US dollars at the closing rate of exchange on Thursday, 24<sup>th</sup> June 2021. In order to comply with the requirements of Strate, the relevant details are as follows:

Shareholders are hereby advised that the exchange rate to be used will be USD 1 = ZAR 14.2613. This has been calculated as the average of the bid/ask spread at 16.00 (United Kingdom time) being the close of business on Thursday, 24<sup>th</sup> June 2021.

In respect of the normal gross cash dividend of US\$1.9 cents (27.09647 South African cents), and in terms of the new South African Tax Act, the following dividend tax ruling only applies to those shareholders who are registered on the South African register at close of business on Friday, 23<sup>rd</sup> July 2021. All other shareholders are exempt. The gross dividend is for the six-month period ended 31<sup>st</sup> March 2021 and will be paid on Friday, 30<sup>th</sup> July 2021.

- The dividend has been declared from income reserves, which funds are sourced from the Jersey holding company's main bank account in Switzerland and is therefore deemed a foreign dividend.
- The dividend withholding tax rate is 20% resulting in a net dividend of US\$1.52000 cents (21.67718 South African cents) per share to those shareholders who are not exempt from the dividend withholding tax.

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

### Salient dates for dividend

Last day to trade	Tuesday, 20 <sup>th</sup> July 2021
Shares trade ex-dividend	Wednesday, 21 <sup>st</sup> July 2021
Record date (date shareholders recorded in books)	Friday, 23 <sup>rd</sup> July 2021
Pay date	Friday, 30 <sup>th</sup> July 2021

No dematerialisation or re-materialisation of share certificates, nor transfer of shares between the registers in Jersey and South Africa will take place between Wednesday, 21<sup>st</sup> July 2021 and Friday, 23<sup>rd</sup> July 2021, both dates inclusive.

## Contacts and Addresses

### Registered Office

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### Company Secretary

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### South Africa

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## Consolidated Statement of Total Comprehensive Income

		31 Mar 2021	31 Mar 2020 Restated	30 Sept 2020
	Notes	Unaudited US\$000	Unaudited US\$000	Audited US\$000
<b>Continuing operations</b>				
Group revenue	3	82,843	62,668	112,519
Other income	4a	4,648	2,070	3,736
		87,491	64,738	116,255
Change in inventories of finished goods and work in progress		3,358	(8,487)	(6,704)
Finished goods, raw materials and consumables		(69,111)	(39,101)	(76,376)
Employee benefit expense		(3,787)	(3,532)	(6,800)
Depreciation and amortisation expense		(217)	(220)	(388)
Other expenses	4b	(13,354)	(17,853)	(24,052)
Share of associated companies results		33	110	24
Finance expense		(813)	(1,191)	(1,656)
Profit/(Loss) before taxation	3	3,600	(5,536)	303
Taxation		(589)	58	(633)
<b>Profit/(Loss) after taxation on continuing operations</b>		3,011	(5,478)	(330)
Net Profit on disposal of discontinued operations	8	-	2,099	2,559
Realised exchange differences on disposed foreign entities		(1,504)	-	(1,718)
(Loss)/Profit after tax on discontinued operations	8	-	400	154
<b>Profit/(Loss) for the period</b>		1,507	(2,979)	665
Profit/(Loss) attributable to owners of the parent		1,057	(3,032)	387
Profit attributable to non-controlling interests		450	53	278
Basic and fully diluted earnings/(loss) per share on continuing operations (US\$ cents)	5	7.1	(15.4)	(1.7)
<b>Other Comprehensive (Expense)/Income on continuing operations:</b>				
<i>Items that will not be reclassified subsequently to profit and loss:</i>				
Commercial property fair value adjustments		-	-	52
Less applicable tax		-	-	(15)
		-	-	37
<i>Items that may be reclassified subsequently to profit and loss:</i>				
Exchange differences on translation into US dollars of the financial statements of foreign entities		3,443	(4,069)	(2,224)
Realised exchange differences on translation into US dollars of the financial statements of foreign entities		1,504	-	1,718
		4,947	(4,069)	(506)
<b>Other Comprehensive Income on discontinued operations</b>		-	(599)	(207)
<b>Total Other Comprehensive Income/(Loss)</b>		4,947	(4,668)	(676)
<b>Total Comprehensive Income/(Loss)</b>		6,454	(7,647)	(11)
<b>Total Comprehensive Income/(Loss) attributable to owners of the parent</b>		5,451	(7,037)	93
<b>Total Comprehensive Income/(Loss) attributable to non-controlling interests</b>		1,003	(610)	(104)
Interim dividend per share (US\$ cents)		1.9	1.9	1.9
Final dividend per share (US\$ cents)		-	-	1.9

## Consolidated Statement of Changes in Equity

	Ordinary Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Shareholders' Interests	Non- Controlling Interests	Group Total
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
<b>Half year ended 31 March 2020</b>							
(Loss)/Profit after taxation	-	-	(5,341)	2,309	(3,032)	53	(2,979)
Other Comprehensive (Expense)/Income	-	-	(3,998)	(7)	(4,005)	(663)	(4,668)
Total Comprehensive (Expense)/ Income	-	-	(9,339)	2,302	(7,037)	(610)	(7,647)
Balances at start of period	8,964	23,606	(291)	52,687	84,966	10,451	95,417
Opening balance adjustment (IFRS 16)	-	-	-	15	15	-	15
Disposal of subsidiary	-	-	-	-	-	(6,113)	(6,113)
<i>Transactions with shareholders</i>							
Dividends paid	-	-	-	(681)	(681)	(56)	(737)
Balances at end of period	<u>8,964</u>	<u>23,606</u>	<u>(9,630)</u>	<u>54,323</u>	<u>77,263</u>	<u>3,672</u>	<u>80,935</u>
<b>Half year ended 31 March 2021</b>							
Profit after taxation	-	-	2,730	(1,673)	1,057	450	1,507
Other Comprehensive Income	-	-	5,834	(1,440)	4,394	553	4,947
Total Comprehensive Income	-	-	8,564	(3,113)	5,451	1,003	6,454
Balances at start of period	8,964	23,606	(1,629)	52,313	83,254	4,166	87,420
<i>Transactions with shareholders</i>							
Dividends paid	-	-	-	(681)	(681)	(68)	(749)
Balances at end of period	<u>8,964</u>	<u>23,606</u>	<u>6,935</u>	<u>48,519</u>	<u>88,024</u>	<u>5,101</u>	<u>93,125</u>

## Consolidated Statement of Financial Position

	31 Mar 2021 Unaudited US\$000	31 Mar 2020 Unaudited US\$000	30 Sept 2020 Audited US\$000
<b>Non-current assets</b>			
Investment property	25,201	22,467	23,952
Property, plant and equipment	6,395	6,279	5,328
Right of use of Asset	463	395	479
Deferred taxation	754	799	749
Associates	520	562	430
General portfolio – (note 6)	36,487	29,228	28,112
	<u>69,820</u>	<u>59,730</u>	<u>59,050</u>
<b>Current assets</b>			
Inventories	17,052	13,000	12,422
Accounts receivable	33,916	17,066	22,436
Other current assets	440	1,388	444
Tax recoverable	182	13	489
Cash and cash equivalents	28,794	29,430	29,716
	<u>80,384</u>	<u>60,897</u>	<u>65,507</u>
Assets held for sale	-	-	6,128
<b>Total assets</b>	<u>150,204</u>	<u>120,627</u>	<u>130,685</u>
<b>Current liabilities</b>			
Bank overdrafts	(11,245)	(2,709)	(7,392)
Accounts payable	(30,121)	(16,547)	(19,992)
Lease liabilities	(132)	-	(110)
Other financial liabilities	(837)	-	(122)
Tax payable	(210)	(472)	(25)
	<u>(42,545)</u>	<u>-</u>	<u>(27,641)</u>
Liabilities held for sale	-	-	(1,203)
<b>Net current assets</b>	<u>37,839</u>	<u>41,169</u>	<u>42,791</u>
<b>Total assets less current liabilities</b>	<u>107,659</u>	<u>100,899</u>	<u>101,841</u>
<b>Non-current liabilities</b>			
Financial liabilities	(6,560)	(12,723)	(6,679)
Lease liabilities	(403)	(411)	(427)
Deferred taxation	(7,571)	(6,830)	(7,315)
<b>Total non-current liabilities</b>	<u>(14,534)</u>	<u>(19,964)</u>	<u>(14,421)</u>
<b>Net assets</b>	<u>93,125</u>	<u>80,935</u>	<u>87,420</u>
<b>Capital and reserves</b>			
Called up share capital	8,964	8,964	8,964
Share premium account	23,606	23,606	23,606
Other reserves	6,935	(9,630)	(1,629)
Retained earnings	48,519	54,323	52,313
<b>Equity attributable to owners of the parent</b>	<u>88,024</u>	<u>77,263</u>	<u>83,254</u>
<b>Non-controlling interests</b>	<u>5,101</u>	<u>3,672</u>	<u>4,166</u>
	<u>93,125</u>	<u>80,935</u>	<u>87,420</u>
Net assets per share US\$ cents (note 7)	2.45	2.15	2.32



## Consolidated Statement of Cash Flow

	<b>31 Mar 2021 Unaudited US\$000</b>	31 Mar 2020 Unaudited US\$000	30 Sept 2020 Audited US\$000
Profit for the period	1,507	(2,979)	665
<i>Adjusted for:</i>			
Taxation	589	(55)	2,883
Depreciation	217	290	555
Share of associates	(33)	(110)	(24)
Finance expense	813	1,163	1,724
Profit on disposal of discontinued operations	-	(2,099)	(4,736)
Realised exchange differences on disposed foreign entities	1,504	-	1,718
Other income	(4,082)	(2,014)	(2,145)
Other expense	6	5,114	1,694
<i>Changes in working capital:</i>			
(Increase)/Decrease in inventories	(3,020)	7,655	7,098
(Increase)/Decrease in debtors	(9,381)	3,753	(1,658)
Increase/(Decrease) in creditors	12,246	(4,641)	(8,226)
	<b>366</b>	<b>6,077</b>	<b>(452)</b>
Interest paid	(793)	(1,163)	(1,682)
Taxation paid	6	(1,651)	(2,970)
Net cash (outflow)/inflow from operating activities	<b>(421)</b>	<b>3,263</b>	<b>(5,104)</b>
<b>Investment activities</b>			
Purchase of, and improvements to, tangible non-current assets	(548)	(363)	(950)
Proceeds of disposal of tangible assets	2	23	66
Purchase of software	-	(1)	-
Net proceeds of disposal of subsidiary	1,000	9,466	9,964
Acquisition of investments	(13,356)	(4,674)	(8,544)
Proceeds on disposal of investments	8,949	2,681	11,085
Dividends received	407	347	977
Interest received	212	687	747
Net cash (outflow)/inflow from investment activities	<b>(3,334)</b>	<b>8,166</b>	<b>13,345</b>
Cash (outflow)/inflow before financing	<b>(3,755)</b>	<b>11,429</b>	<b>8,241</b>
<b>Financing activities</b>			
Drawdown of long-term loans	-	165	-
Repayment of long-term loans	(265)	(11)	(397)
Leases	(87)	(78)	(101)
Dividends paid – group shareholders	(681)	(681)	(1,364)
Dividends paid – non-controlling interests of subsidiaries	(68)	(56)	(68)
Cash outflow from financing activities	<b>(1,101)</b>	<b>(661)</b>	<b>(1,930)</b>
<b>Net (decrease)/increase in funds</b>	<b>(4,856)</b>	<b>10,768</b>	<b>6,311</b>
Net funds at start of period	22,324	16,017	16,017
Effect of foreign exchange rates	81	(64)	217
<b>Net cash and cash equivalents at end of period</b>	<b>17,549</b>	<b>26,721</b>	<b>22,545</b>
<b>Cash and cash equivalents on discontinued operations</b>	<b>-</b>	<b>-</b>	<b>(221)</b>
<b>Cash and cash equivalents on continuing operations</b>	<b>17,549</b>	<b>26,721</b>	<b>22,324</b>

## Notes to the interim statement

- As highlighted in the Company's Annual Report & Accounts for the year ended 30<sup>th</sup> September 2020, subject to the approval of the JSE, the Board proposed to change the Company's year-end date from 30<sup>th</sup> September to 31<sup>st</sup> March. The proposed change has now been approved by the JSE and the next full Annual Report & Accounts will be prepared for an 18 months' period to 31<sup>st</sup> March 2022 and published within 4 months of that date. Prior to the next full Annual Report & Accounts, the Group will prepare an additional interim report for the 12 months' period ending 30<sup>th</sup> September 2021 which will be published within 3 months of that date.
- The results and the cash flow statement for the half-year ended 31<sup>st</sup> March 2021 are unaudited and comply with IAS 34 – Interim Financial Reporting as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council. They have been prepared on the basis of accounting policies that will be adopted in the accounts for the 18 months' period ending 31<sup>st</sup> March 2022 and are the same as those for the prior year.

The interim statement complies with International Financial Reporting Standards and JSE listing requirements. The results for the year to 30<sup>th</sup> September 2020 are an abridged version of the Group's full accounts for that year, which have been filed with the relevant authorities, restated as disclosed above.

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

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

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

	31 Mar		30 Sept			
	2021	2020	2020	2020		
	US\$000	US\$000	Restated US\$000	Restated US\$000	US\$000	US\$000
Analysed by activity: -	<b>Revenue</b>	<b>Result</b>	Revenue	Result	Revenue	Result
Import/distribution	<b>81,163</b>	<b>(5)</b>	61,071	(1,528)	109,506	800
Property	<b>1,680</b>	<b>484</b>	1,597	523	3,013	829
Share of associated companies results	-	<b>33</b>	-	110	-	24
	<b>82,843</b>	<b>512</b>	62,668	(895)	112,519	1,653
Unallocated expense		<b>(747)</b>		(776)		(1,917)
Fair value adjustment on investments		<b>2,714</b>		(4,744)		(1,513)
Other Income		<b>1,934</b>		2,070		3,736
Interest paid		<b>(813)</b>		(1,191)		(1,656)
Profit/(Loss) on continuing operations before tax		<b>3,600</b>		(5,536)		303
<b>Discontinued operations</b>						
(Loss)/Profit on disposal of discontinued operations		-		4,130		4,736
Realised exchange differences on disposed foreign entities		<b>(1,504)</b>		-		(1,718)
Profit from discontinued operations	-	-	4,165	403	7,700	226
	<b>82,843</b>		66,833		120,219	
Profit/(Loss) for the year before tax on continuing and discontinued operations		<b>2,096</b>		(1,003)		3,547

## Notes to the interim statement (continued)

Group revenue for continuing operations disaggregated by product type

	31 Mar 2021 US\$000	Restated 31 Mar 2020 US\$000	30 Sept 2020 US\$000
<i>Import &amp; Distribution</i>			
FMCG	31,363	29,882	52,335
Metals & Minerals	32,291	17,328	32,291
Tool and Machinery	17,509	13,861	24,880
	<u>81,163</u>	<u>61,071</u>	<u>109,506</u>
<i>Property</i>	1,680	1,597	3,013
Total	<u>82,843</u>	<u>62,668</u>	<u>112,519</u>

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

	31 Mar 2021 US\$000	Restated 31 Mar 2020 US\$000	30 Sept 2020 US\$000
<b>a. Other income</b>			
Fair value adjustments on investment property	-	-	838
Fair value adjustments on investments	2,714	-	-
Dividend income	407	255	865
Interest and other income	464	818	1,195
Exchange gains	521	640	305
Profit on disposal of investments	542	357	533
Total other income in continuing operations	<u>4,648</u>	<u>2,070</u>	<u>3,736</u>
Other income in discontinued operations	-	82	86
	<u>4,648</u>	<u>2,152</u>	<u>3,822</u>

	31 Mar 2021 US\$000	Restated 31 Mar 2020 US\$000	30 Sept 2020 US\$000
<b>b. Other expense</b>			
Fair value adjustments on investments	-	(4,744)	(1,512)
Losses on disposal	(4)	(21)	(94)
Impairment	(2)	-	(11)
Exchange losses	(149)	(293)	(909)
Clearing expenses	(4,204)	(4,789)	(8,176)
Administration and other expenses	(8,995)	(8,006)	(13,350)
Total other expenses on continuing operations	<u>(13,354)</u>	<u>(17,853)</u>	<u>(24,052)</u>
Other expenses in discontinued operations	-	(1,054)	(2,043)
	<u>(13,354)</u>	<u>(18,907)</u>	<u>(26,095)</u>

## Notes to the interim statement (continued)

5. Basic earnings/(loss) per share are based on results attributable to members and on 35,857,512 shares in issue (31<sup>st</sup> March 2020 – 35,857,512). A reconciliation of basic and headline loss/earnings is shown below.

	<b>31 Mar 2021 US\$ cents</b>	Restated 31 Mar 2020 US\$ cents	30 Sept 2020 US\$ cents
<b>Earnings per share</b>			
Basic earnings/(loss) per share on continuing operations	7.1	(15.4)	(1.7)
Basic (loss)/earnings per share on discontinued operations	<u>(4.2)</u>	<u>7.0</u>	<u>2.7</u>
Basic and fully diluted earnings/(loss) per share	<u><b>2.9</b></u>	<u><b>(8.4)</b></u>	<u><b>1.0</b></u>
Headline earnings/(loss) per share on continuing operations	7.2	(15.4)	(2.9)
Headline earnings per share on discontinued operations	<u>-</u>	<u>1.1</u>	<u>0.4</u>
Headline earnings/(loss) per share on continuing and discontinued operations	<u><b>7.2</b></u>	<u><b>(14.3)</b></u>	<u><b>(2.5)</b></u>
	<b>31 Mar 2021 US\$000</b>	31 Mar 2020 US\$000	30 Sept 2020 US\$000
Basic earnings/(loss) on continuing and discontinued operations	1,057	(3,032)	387
Profit on disposal of discontinued operations	-	(2,099)	(2,559)
Realised exchange differences on disposed foreign entities	1,504	-	1,718
Profit after tax on discontinued operations	<u>-</u>	<u>(400)</u>	<u>(154)</u>
Basic earnings/(loss) on continuing operations	<u><b>2,561</b></u>	<u><b>(5,531)</b></u>	<u><b>(608)</b></u>
<b>Reconciliation between basic and headline earnings</b>			
Basic earnings/(loss) on continuing and discontinued operations	1,057	(3,032)	387
<i>Adjusted for:</i>			
Profit on disposal of operations after tax	-	(2,099)	(2,559)
Foreign currency translation reserve recycled to profit or loss	1,504	-	1,718
Investment property revaluations	-	-	(544)
Recovery of impairment of non-current asset	2	-	11
Loss on disposal of non-current tangible assets	4	21	103
Re-measurements included in equity-accounted earnings of associates	<u>-</u>	<u>-</u>	<u>1</u>
Headline earnings/(loss)	<u><b>2,567</b></u>	<u><b>(5,110)</b></u>	<u><b>(883)</b></u>

## Notes to the interim statement (continued)

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

	<b>31 Mar</b>	31 Mar	30 Sept
	<b>2021</b>	2020	2020
	<b>US\$000</b>	US\$000	US\$000
United States of America	<b>10,396</b>	9,471	9,787
United Kingdom	<b>9,615</b>	6,194	6,190
Europe, excluding the UK	<b>5,633</b>	4,221	4,814
Switzerland	<b>4,519</b>	3,513	3,364
Japan	<b>1,327</b>	1,326	1,290
South Africa	-	-	125
	<b>31,490</b>	24,725	25,570
Treasury bills USA	-	2,000	-
Unlisted	<b>4,997</b>	2,503	2,542
	<b>36,487</b>	29,228	28,112

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

8. Discontinued operations - 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.

	<b>30 Sept</b>
	<b>2020</b>
	<b>US\$000</b>
<b>Assets held for sale</b>	
Property, plant and equipment	<b>1,601</b>
Inventories	<b>3,059</b>
Trade and other receivables	<b>1,247</b>
Cash and cash equivalents	<b>221</b>
	<b>6,128</b>
<b>Liabilities held for sale</b>	
Trade and other payables	<b>(1,203)</b>
	<b>(1,203)</b>
<b>Comprehensive income</b>	
Revenue	<b>7,700</b>
Cost of sales	<b>(4,610)</b>
Other Income	<b>86</b>
Operating and other expenses	<b>(2,883)</b>
Finance costs	<b>(67)</b>
Profit before tax	<b>226</b>
Taxation	<b>(72)</b>
Profit after tax	<b>154</b>
<b>Cashflows from discontinued operations</b>	
Operating activities	<b>290</b>
Investing activities	<b>(520)</b>
Financing activities	<b>81</b>
Net cash outflows on discontinued operations	<b>(149)</b>

9. There was capital expenditure of US\$548,000 during the period (31<sup>st</sup> March 2020 – US\$363,000). There was no contracted or outstanding authorised capital expenditure at the reporting date.
10. We continue to be involved in litigation against a former consultant in both South Africa and Jersey and legal costs paid in the half year were US\$554,000. It is expected that these 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.

United Kingdom

30<sup>th</sup> June 2021

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