

**MARSHALL
MONTEAGLE PLC**

REVIEWED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED
30 SEPTEMBER 2021
AND DIVIDEND DECLARATION



Marshall Monteagle PLC

Incorporated in Jersey, Registered No. 102785

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

21 December 2021

Dear Shareholder,

Marshall Monteagle PLC is listed on the JSE Limited (“JSE”) 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 Company has changed its year-end from 30 September to 31 March. As a consequence, the next set of audited Consolidated financial statements will be prepared for the 18 months ending on 31 March 2022. The Directors have prepared unaudited interim condensed consolidated financial statements for the 12 months ended 30 September 2021. Included with this report is a dividend declaration.

Overview

Covid-19 continues to affect our customers, our suppliers and us. To date the incidence of Covid-19 on our workforce has been limited, although we wait to see the impact of the Omicron variant on us and our key stakeholders. With our stakeholders, we continually seek to adapt the way that we work to mitigate risks that threaten the health of our customers, suppliers and stakeholders.

Our trading businesses supply essential goods and are not heavily impacted by lockdowns. Our recent focus on diversifying our customer base and product offering has helped trading to recover strongly, with sales growing by 18.1% compared to the same period last year.

The balance sheet for Marshall Monteagle PLC and its subsidiaries (“the Group”) remains strong, and the dividend is being maintained. At 30 September 2021, cash balances, net of overdrafts, were US\$9,275,000 (30 September 2020 – US\$22,324,000).

Our total net assets amount to US\$2.44 per share, which compares with US\$2.32 per share at 30 September 2020. Assets outside Africa, net of proposed dividends, stand at US\$70.2m, equivalent to US\$1.96 per share (30 September 2020 - US\$1.92 per share). Net assets denominated in South African Rands have increased to US\$16,638,000 (30 September 2020 – US\$13,774,000), equivalent to US\$0.46 cents per share (30 September 2020 – US\$0.38 cents per share) in part due to a strengthening of the value of the South African Rand by 10.9%.

Headlines

- Group revenue from continuing operations increased 18.1% to US\$132,945,000 compared to the revenue from continuing operations for the same period last year. In constant currency terms revenue on continuing operations increased by 12.1% to US\$126,126,000.
- Profit after tax on continuing operations for the period was US\$3,911,000, compared to a loss after tax of US\$330,000 for the same period last year. In constant currency terms, the profit was US\$3,871,000.
- Headline earnings per share were US\$7.1 cents per share compared to loss of US\$2.5 cents per share in the same period last year.
- Basic earnings per share were US\$4.9 cents compared to US\$1 cent per share in the same period last year.
- A second interim dividend of US\$1.9 cents per share will be paid on Friday, 21 January 2022 (30 September 2020 – US\$1.9 cents).
- Net assets per share are US\$2.44. Net assets per share have increased by 5.2% from the 30 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

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 as expected and we are well positioned to manage and navigate these conditions.

The Import and Distribution businesses in food and household consumer products supply goods to multiple retailers, wholesalers, and manufacturers primarily in South Africa and South America. Following the successful restructuring of our trading business over the past two years, we have diversified our principal trading book to include raw materials supplied to the food and non-food manufacturing sectors. This diversification has substantially contributed to the recovery in contribution from this division. These businesses continue to operate in a very challenging global retail market and we constantly review our shipping and supply-chain to ensure that we remain the most cost-effective solution from factory to shelf. We remain committed to working with suppliers of quality raw materials, skilled technologists and first world production facilities.

The 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 purchase and collection ex mine through to delivery to end users on an international basis. Markets we trade in have been adversely affected by the global Covid-19 pandemic and fluctuating commodity prices during the period under review which has been further compounded by challenging logistics and shipping markets and significantly increased ocean-freight rates.

The 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, encouraged 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 US\$1,500,000 (note 8). We no longer have significant influence in these companies, so the remaining holding is accounted for as an investment.

Since the end of the period under review, the Group has agreed to the sale of its 50% stake in its associated company, Monteagle Logistics, for ZAR 17m (US\$1.1m). This transaction is expected to complete in January 2022.

Property Portfolio

Vacancies at rental properties in San Diego and South Africa remain very low. The Group has continued to focus on proactively managing tenant relationships while raising its administrative and operating efficiencies. The longer businesses are disrupted by Covid-19 the greater the chances that some of our tenants will not be able to continue trading. We continue to work with tenants to help them mitigate the impact of Covid-19 on their businesses in a manner that enhances our long-term income prospects. Investment properties were revalued at 30 September 2021 taking into account the impact of Covid-19 with an increase in value of US\$1,142,000 (30 September 2020 – increase of US\$838,000).

Investment Portfolios

Investment purchases and sales have increased substantially in the period as we seek to be more proactive in the management of part of our portfolio. We have taken this more active approach to managing investments, seeking additional dividend income, and taking advantage of low trading costs. The number of unlisted investments has increased from one to three.

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, 21 January 2022 to shareholders on the register at the close of business on Friday, 14 January 2022. Full details of this dividend are disclosed below.

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 (30.13647 South African cents) per share. The dividend is payable on Friday, 21 January 2022 to shareholders on the register at the close of business on Friday, 14 January 2022.

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 Friday, 17 December 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 15.8613. This has been calculated as the average of the bid/ask spread at 16.00 (United Kingdom time) being the close of business on 17 December 2021.

In respect of the normal gross cash dividend of US\$1.9 cents (30.13647 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, 14 January 2022. All other shareholders are exempt. The gross dividend is for the twelve-month period ended 30 September 2021 and will be paid on Friday, 21 January 2022.

- 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 (24.10918 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/TIN 101-580-5936.

Salient dates for dividend

Last day to trade	Tuesday, 11 January 2022
Shares trade ex-dividend	Wednesday, 12 January 2022
Record date (date shareholders recorded in books)	Friday, 14 January 2022
Pay date	Friday, 21 January 2022

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, 12 January 2022 and Friday, 14 January 2022, both dates inclusive.

Contacts and Addresses

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Independent Auditor’s Report on Review of the Unaudited Interim Condensed Consolidated Financial Statements

To the shareholders of Marshall Monteagle Plc

We have reviewed the Unaudited Interim Condensed Consolidated Financial Statements (“the Interim Financial Statements”) of Marshall Monteagle Plc (the “Company”) and its subsidiaries (together the “Group”) for the 12 month period ended 30 September 2021, which comprise the Condensed Consolidated Statement of Total Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Cash Flows and selected explanatory notes.

Directors’ responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these Interim Financial Statements in accordance with the International Financial Reporting Standard as issued by the International Accounting Standards Board (IASB), (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies (Jersey) Law 1991, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on our review of these Interim Financial Statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Interim Financial Statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements. A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these Interim Financial Statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Unaudited Interim Condensed Consolidated Financial Statements of Marshall Monteagle Plc for the 12 months ended 30 September 2021 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard as issued by the IASB, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies (Jersey) Law 1991.

Use of our report

This report is made solely to the Company’s shareholders, as a body, in accordance with guidance contained in International Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” (“ISRE 2410”). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s shareholders as a body, for our work, for this report, or for the conclusions we have formed.

Grant Thornton Limited

Chartered Accountants
Guernsey, Channel Islands

21 December 2021

Condensed Consolidated Statement of Total Comprehensive Income

	Notes	30 Sept 2021 Unaudited US\$000	30 Sept 2020 Audited US\$000
Continuing operations			
Group revenue	3	132,945	112,519
Other income	4	6,009	3,736
		<u>138,954</u>	<u>116,255</u>
Change in inventories of finished goods and work in progress		5,551	(6,704)
Finished goods, raw materials and consumables		(105,473)	(76,376)
Employee benefit expense		(7,892)	(6,800)
Depreciation and amortisation expense		(508)	(388)
Other expenses	5	(22,997)	(24,052)
Share of associated company's results		(162)	24
Finance expense		(2,075)	(1,656)
Profit before taxation	3	<u>5,398</u>	<u>303</u>
Taxation		<u>(1,487)</u>	<u>(633)</u>
Profit/(Loss) after taxation on continuing operations		3,911	(330)
Net Profit on disposal of discontinued operations	8	-	2,559
Realised exchange differences on disposed foreign entities		(1,504)	(1,718)
Profit after tax on discontinued operations	8	<u>-</u>	<u>154</u>
Profit for the period		<u>2,407</u>	<u>665</u>
Profit attributable to owners of the parent		1,770	387
Profit attributable to non-controlling interests		637	278
Basic and fully diluted earnings/(loss) per share on continuing operations (US\$ cents)	6	9.1	(1.7)
Other Comprehensive (Expense)/Income on continuing operations:			
<i>Items that will not be reclassified subsequently to profit and loss:</i>			
Commercial property fair value adjustments		(106)	52
Less applicable tax		30	(15)
		<u>(76)</u>	<u>37</u>
<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		2,873	(2,224)
Realised exchange differences on translation into US dollars of the financial statements of disposed foreign entities		1,504	1,718
		<u>4,377</u>	<u>(506)</u>
Other Comprehensive Income/(Loss) on discontinued operations		<u>-</u>	<u>(207)</u>
Total Other Comprehensive Income/(Loss)		4,301	(676)
Total Comprehensive Income/(Loss)		<u>6,708</u>	<u>(11)</u>
Total Comprehensive Income attributable to owners of the parent			
		5,666	649
Total Comprehensive Income/(Loss) attributable to non-controlling interests			
		1,042	(660)
Interim dividend per share (US\$ cents)		1.9	1.9
Final dividend per share (US\$ cents)		1.9	1.9

Condensed Consolidated Statement of Changes in Equity

	Called up Share Capital US\$000	Share Premium Account US\$000	Other Reserves US\$000	Retained Earnings US\$000	Total Shareholders' Interests US\$000	Non- Controlling Interests US\$000	Group Total US\$000
Year ended 30 Sept 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)
Balances at start of period	8,964	23,606	(291)	52,687	84,966	10,451	95,417
<i>Transactions with shareholders</i>	-	-	-	-	-	-	-
Disposal of subsidiary (Note 8)	-	-	(132)	(309)	(441)	(6,113)	(6,554)
Dividends paid	-	-	-	(1,364)	(1,364)	(68)	(1,432)
Balances at end of period	8,964	23,606	(1,629)	52,313	83,254	4,166	87,420
Period ended 30 Sept 2021							
Profit after taxation	-	-	1,028	742	1,770	637	2,407
Other Comprehensive Income – foreign exchange	-	-	3,934	-	3,934	443	4,377
Other Comprehensive Income - revaluation	-	-	(38)	-	(38)	(38)	(76)
Total Comprehensive Income	-	-	4,924	742	5,666	1,042	6,708
Balances at start of period	8,964	23,606	(1,629)	52,313	83,254	4,166	87,420
<i>Transactions with shareholders</i>							
Disposal of subsidiary	-	-	1,440	(1,440)	-	-	-
Dividends paid	-	-	-	(1,363)	(1,363)	(122)	(1,485)
Balances at end of period	8,964	23,606	4,735	50,252	87,557	5,086	92,643

Condensed Consolidated Statement of Financial Position

		30 Sept 2021 Unaudited US\$000	30 Sept 2020 Audited US\$000
	Notes		
Non-current assets			
Investment property		26,147	23,952
Property, plant and equipment	9	6,598	5,328
Right of use assets		526	479
Accounts receivable		314	-
Deferred taxation		924	749
Investment in associate	12	234	430
General investment portfolio	10	38,248	28,112
		<u>72,991</u>	<u>59,050</u>
Current assets			
Inventories		19,111	12,422
Accounts receivable		25,612	22,436
Other current assets		668	444
Tax recoverable		26	489
Cash and cash equivalents		21,896	29,716
		<u>67,313</u>	<u>65,507</u>
Assets held for sale		-	6,128
Total assets		<u>140,304</u>	<u>130,685</u>
Current liabilities			
Bank overdrafts		(12,621)	(7,392)
Accounts payable		(19,818)	(19,992)
Lease liabilities		(210)	(110)
Other financial liabilities		(27)	(122)
Tax payable		(386)	(25)
		<u>(33,062)</u>	<u>(27,641)</u>
Liabilities held for sale		-	(1,203)
Net current assets		<u>34,251</u>	<u>42,791</u>
Total assets less current liabilities		<u>107,242</u>	<u>101,841</u>
Non-current liabilities			
Borrowings		(6,473)	(6,679)
Lease liabilities		(399)	(427)
Deferred taxation		(7,727)	(7,315)
Total non-current liabilities		<u>(14,599)</u>	<u>(14,421)</u>
Net assets		<u>92,643</u>	<u>87,420</u>
Capital and reserves			
Called up share capital		8,964	8,964
Share premium account		23,606	23,606
Other reserves		4,735	(1,629)
Retained earnings		50,252	52,313
Equity attributable to owners of the parent		<u>87,557</u>	<u>83,254</u>
Non-controlling interests		<u>5,086</u>	<u>4,166</u>
		<u>92,643</u>	<u>87,420</u>
Net assets per share attributable to shareholders US\$ cents	7	2.44	2.32

Condensed Consolidated Statement of Cash Flows

	Notes	30 Sept 2021 Unaudited US\$000	30 Sept 2020 Audited US\$000
Profit for the period		2,407	665
<i>Adjusted for:</i>			
Taxation		1,487	2,883
Depreciation		508	555
Share of associated company's results		162	(24)
Finance expense		2,075	1,724
Profit on disposal of discontinued operations		-	(4,736)
Realised exchange differences on disposed foreign entities		1,504	1,718
Net exchange differences		(640)	901
Other income	4	(5,728)	(2,145)
Other expense	5	29	793
<i>Changes in working capital:</i>			
(Increase)/Decrease in inventories		(5,339)	7,098
Increase in debtors		(1,877)	(1,658)
Increase/(Decrease) in creditors		1,348	(8,226)
		<u>(4,064)</u>	<u>(452)</u>
Interest paid		(2,029)	(1,682)
Taxation paid		(520)	(2,970)
Net cash outflow from operating activities		<u>(6,613)</u>	<u>(5,104)</u>
Investment activities			
Purchase of, and improvements to, tangible non-current assets		(1,163)	(950)
Proceeds of disposal of tangible assets		14	66
Purchase of software		-	-
Net proceeds of disposal of subsidiary	8	1,000	9,964
Acquisition of investments	10	(43,109)	(8,544)
Proceeds on disposal of investments		36,893	11,085
Dividends received		1,188	977
Interest received		274	747
Net cash (outflow)/inflow from investment activities		<u>(4,903)</u>	<u>13,345</u>
Cash (outflow)/inflow before financing		<u>(11,516)</u>	<u>8,241</u>
Financing activities			
Repayment of long-term loans		(328)	(397)
Leases		(224)	(101)
Dividends paid – group shareholders		(1,363)	(1,364)
Dividends paid – non-controlling interests of subsidiaries		(122)	(68)
Cash outflow from financing activities		<u>(2,037)</u>	<u>(1,930)</u>
Net (decrease)/increase in cash and cash equivalents		(13,553)	6,311
Net funds at start of period		22,324	16,017
Effect of foreign exchange rates		504	217
Net cash and cash equivalents at end of period		9,275	22,545
Cash and cash equivalents on discontinued operations		-	(221)
Cash and cash equivalents on continuing operations		9,275	22,324

Notes to the condensed consolidated financial statements

1. Nature of business

Marshall Monteagle PLC 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.

2. General information, basis of preparation and statement of compliance with IFRS

As highlighted in the Group's Annual Report and Consolidated Financial Statements for the year ended 30 September 2020, the Board proposed to change the Company's year-end date from 30 September to 31 March. The proposed change has been approved by the JSE and the next full Annual Report and Consolidated Financial Statements will be prepared for an 18 months' period to 31 March 2022 and published within 4 months of that date.

The results and the cash flow statement for the twelve months period ended 30 September 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 the 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 March 2022 and are the same as those applied and disclosed in the annual financial statements for the year ended 30 September 2020.

This interim statement complies with International Financial Reporting Standards and JSE's Listings Requirements. The results for the year to 30 September 2020 are an abridged version of the Group's full accounts for that year, which have been filed with the relevant authorities.

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 auditor.

New standards and interpretations

A number of new standards and amendments to standards and interpretations are effective for financial periods beginning after 1 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.

Estimates and judgments

When preparing the condensed interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the condensed interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 September 2020. The only exceptions are the estimate of income tax liabilities which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Notes to the condensed consolidated financial statements (continued)

2. General information, basis of preparation and statement of compliance with IFRS (continued)

Significant events and transactions'

Management believes that the Group is well positioned to cope with a downturn in the economy. Factors contributing to the Group's strong position are:

- the Group trades in goods that are mainly not discretionary purchases. Its customers and suppliers have traded throughout the Covid pandemic and are expected to continue to do so
- the Group does not expect to need additional borrowing facilities in the next 12 months as a result of its significant financial resources, existing facilities and strong liquidity reserves. The Group has significant headroom to comply with its debt covenants
- the Group's major customers have not experienced financial difficulties. Credit quality of trade receivables as at 30 June 2021 is considered to be good. Overall, the Group is in a strong position and has sufficient capital and liquidity to service its operating activities and debt. The Group's objectives and policies for managing capital, credit risk and liquidity risk are described in its annual financial statements

3. Segmental reporting

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

	Sept 2021		Sept 2020	
	US\$000	US\$000	US\$000	US\$000
Continuing operations				
Analysed by activity: -	Revenue	Result	Revenue	Result
Import/distribution	129,509	2,819	109,506	800
Property	3,436	1,001	3,013	829
Share of associated companies' results	-	(162)	-	24
	132,945	3,658	112,519	1,653
Unallocated expense		(2,195)		(1,917)
Fair value adjustment on investments		229		(1,513)
Other income		5,781		3,736
Interest paid		(2,075)		(1,656)
Profit on continuing operations before tax		5,398		303
Discontinued operations				
Profit on disposal of discontinued operations		-		4,736
Realised exchange differences on disposed foreign entities		(1,504)		(1,718)
Profit from discontinued operations	-	-	7,700	226
	132,945		120,219	
Profit for the year before tax on continuing and discontinued operations		3,894		3,547

Notes to the condensed consolidated financial statements (continued)

3. Segmental reporting (continued)

b) Assets and liabilities analysed by activity

	Sept 2021		Sept 2020	
	US\$000 Assets	US\$000 Liabilities	US\$000 Assets	US\$000 Liabilities
Import/distribution	50,341	(18,398)	39,473	(18,832)
Property	27,963	(622)	25,195	(794)
Share of associated company's results	234	-	430	-
Unallocated (including investments, cash, tax, and debt)	61,766	(28,641)	59,459	(22,436)
Consolidated total on continuing operations	140,304	(47,661)	124,557	(42,062)
Discontinued operations – held for sale	-	-	6,128	(1,203)
Consolidated total	140,304	(47,661)	130,685	(43,265)

c) Group revenue for continuing operations disaggregated by product type

	30 Sept 2021 US\$000	30 Sept 2020 US\$000
<i>Import & Distribution</i>		
FMCG - Africa	54,396	42,089
FMCG - South America	12,907	10,246
FMCG - Total	67,303	52,335
Metals & Minerals	27,510	32,291
Tool and Machinery	34,696	24,880
	129,509	109,506
<i>Property</i>	3,436	3,013
Total	132,945	112,519

4. Other Income

	30 Sept 2021 US\$000	30 Sept 2020 US\$000
Fair value adjustments on investment property	1,142	838
Fair value adjustments on investments	229	-
Dividend income	1,105	865
Interest income	274	745
Other income	142	141
Insurance claims	138	-
Legal claim	-	309
Exchange gains	-	305
Realised gains on disposal of investments	2,979	533
Total other income in continuing operations	6,009	3,736
Other income in discontinued operations	-	86
	6,009	3,822

Notes to the condensed consolidated financial statements (continued)

5. Other expenses

	30 Sept 2021 US\$000	30 Sept 2020 US\$000
Fair value adjustments on investments	-	(1,512)
Loss on disposal of non-current tangible assets	(27)	(94)
Impairment	(2)	(11)
Net loss on foreign exchange differences	(950)	(909)
Clearing expenses	(6,694)	(8,176)
Legal and professional	(1,291)	(1,714)
Auditors' fees	(418)	(475)
Marketing and sales expenses	(732)	(1,097)
Administration and other expenses	(12,883)	(10,064)
Total other expenses on continuing operations	<u>(22,997)</u>	<u>(24,052)</u>
Other expenses in discontinued operations	-	(2,043)
	<u>(22,997)</u>	<u>(26,095)</u>

6. Earnings per share

Basic earnings/(loss) per share are based on results attributable to members and on 35,857,512 shares in issue (30 September 2020 – 35,857,512). A reconciliation of basic and headline earnings/(loss) is shown below.

	30 Sept 2021 US\$ cents	30 Sept 2020 US\$ cents
Earnings per share		
Basic earnings/(loss) per share on continuing operations	9.1	(1.7)
Basic (loss)/earnings per share on discontinued operations	(4.2)	2.7
Basic and fully diluted earnings per share	<u>4.9</u>	<u>1.0</u>
Headline earnings/(loss) per share on continuing operations	7.1	(2.9)
Headline earnings per share on discontinued operations	-	0.4
Headline earnings/(loss) per share on continuing and discontinued operations	<u>7.1</u>	<u>(2.5)</u>
Basic earnings on continuing and discontinued operations	1,770	387
Profit on disposal of discontinued operations	-	(2,559)
Realised exchange differences on disposed foreign entities	1,504	1,718
Profit after tax on discontinued operations	-	(154)
Basic earnings/(loss) on continuing operations	<u>3,274</u>	<u>(608)</u>
Reconciliation between basic and headline earnings		
Basic earnings on continuing and discontinued operations	1,770	387
<i>Adjusted for:</i>		
Profit on disposal of operations after tax	-	(2,559)
Foreign currency translation reserve recycled to profit or loss	1,504	1,718
Investment property revaluations	(771)	(544)
Impairment of non-current asset	2	11
Loss on disposal of non-current tangible assets	27	103
Re-measurements included in equity-accounted earnings of associates	-	1
Headline earnings/(loss)	<u>2,532</u>	<u>(883)</u>

Notes to the condensed consolidated financial statements (continued)

7. Net assets per share

Net assets per share are based on equity attributable to owners of the Company and on the weighted average of shares in issue of 35,857,512 (2020 – 35,857,512)

8. Discontinued operations

In November 2020, the Group sold to a private equity company a controlling stake in Monteagle Merchant Group Ltd, the holding company owning 100% of Global Coffee Exports Ltd, a company involved in importing, processing, and distributing coffee in South Africa for US\$1,500,000. As the Group no longer has significant influence over Monteagle Merchant Group (including Global Coffee Exports Ltd) the remaining holding is accounted for and presented as an unlisted investment (see note 10). Sales proceeds have been reinvested within the stock market investment portfolio of the Group.

	30 Sept 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
	<hr/> 6,128
Liabilities held for sale	
Trade and other payables	(1,203)
	<hr/> (1,203)
Net asset sold	4,925
Intercompany payables	(2,729)
Total net asset sold	<hr/> 2,196
Profit on disposal	-
Value of interest retained as an investment	(696)
Consideration agreed	<hr/> 1,500
Comprehensive income	US\$000
Revenue	7,700
Cost of sales	(4,610)
Other Income	86
Operating and other expenses	(2,883)
Finance costs	(67)
Profit before tax	<hr/> 226
Taxation	(72)
Profit after tax	<hr/> 154
Cashflows from discontinued operations	
Operating activities	290
Investing activities	(520)
Financing activities	81
Net cash outflows on discontinued operations	<hr/> (149)

Notes to the condensed consolidated financial statements (continued)

9. Property, plant and equipment

There was capital expenditure of US\$1,155,000 during the period (30 September 2020 – US\$933,000). There was no contracted or outstanding authorised capital expenditure at the reporting date.

	Plant US\$000	Equipment US\$000	Vehicles US\$000	Commercial Property		Total US\$000
				Land US\$000	Buildings US\$000	
Period Ended 30 September 2021						
Brought forward 1 October						
At cost or valuation	537	1,326	647	1,767	2,576	6,853
Translation adjustment	57	138	70	145	318	728
	<u>594</u>	<u>1,464</u>	<u>717</u>	<u>1,912</u>	<u>2,894</u>	<u>7,581</u>
Revaluations	-	-	-	-	(106)	(106)
Impairment	-	(2)	-	-	-	(2)
Translation adjustment	-	-	-	-	1	1
Additions	321	364	127	-	343	1,155
Disposals	(35)	(98)	(46)	-	-	(179)
Balances carried forward 30 September	<u>880</u>	<u>1,728</u>	<u>798</u>	<u>1,912</u>	<u>3,132</u>	<u>8,450</u>
Depreciation						
Brought forward 1 October	(325)	(820)	(380)	-	-	(1,525)
Translation adjustment	(34)	(86)	(41)	-	-	(161)
	<u>(359)</u>	<u>(906)</u>	<u>(421)</u>	-	-	<u>(1,686)</u>
Charge for the year	(71)	(175)	(63)	-	-	(309)
Translation adjustment	1	3	1	-	-	5
Disposals	28	73	37	-	-	138
Balances carried forward 30th September	<u>(401)</u>	<u>(1,005)</u>	<u>(446)</u>	-	-	<u>(1,852)</u>
Net book value 30 September 2021	<u>479</u>	<u>723</u>	<u>352</u>	<u>1,912</u>	<u>3,132</u>	<u>6,598</u>

10. Investments

	30 Sept 2021 US\$000	30 Sept 2020 US\$000
Listed investments		
Balance brought forward 1 st October	25,570	27,050
Translation adjustment	14	(30)
	<u>25,584</u>	<u>27,020</u>
Additions	41,350	8,544
Disposals	(33,914)	(8,552)
Fair value adjustments	1,299	(1,175)
Fair value adjustments realised on disposal	(679)	(267)
Translation adjustment in the period	2	-
Balance carried forward 30 th September	<u>33,642</u>	<u>25,570</u>
Treasury bills		
Balance brought forward 1 st October	-	2,000
Disposals	-	(2,000)
Balance carried forward 30 th September	<u>-</u>	<u>-</u>

Notes to the condensed consolidated financial statements (continued)

10. Investments (continued)

	30 Sept 2021 US\$000	30 Sept 2020 US\$000
Unlisted investments		
Balance brought forward 1 st October	2,542	2,612
Additions	2,455	-
Fair value adjustments	<u>(391)</u>	<u>(70)</u>
Balance carried forward 30 th September	<u>4,606</u>	<u>2,542</u>
Net book value 30th September	<u>38,248</u>	<u>28,112</u>

The Group owns 1,641,309 Ordinary Shares in Heartstone Inns Ltd (14.7%) (30 September 2020 – 1,641,309 Ordinary shares). This unlisted investment is carried at fair value of US\$2,666,000 (30 September 2020 - US\$2,542,000) which is calculated based on the net asset value per share at 30 September 2021 of US\$1.8 (2020 - 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. The primary drivers for changes in net asset value are changes in the valuations of the properties owned by Heartstone Inns Ltd and exchange rate movements between £ sterling (the currency used by Heartstone Inns Ltd to prepare accounts) and US\$. The properties have not been revalued in the period.

The unlisted investment in GTNS2 Ltd is carried at fair value of US\$1,245,000 (cost – US\$1,759,000) which is calculated based on the value per share of \$4,698 for the most recent fundraising.

The unlisted investment in German Beverage Company Limited (formerly “Monteagle Merchant Group Ltd”) is carried at entry value of US\$696,000 as no further information has yet been received on which to base an updated valuation. It is impossible to predict how markets will perform in the future.

The Group has accepted the 28% 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 28% decrease in the value of the listed investments would result in the fair values of investments decreasing by US\$9,420,000 and a corresponding decrease in profits recorded in other reserves. A 28% increase would, on the same basis, increase fair values and increase profits recorded in other reserves. A change in the value of the unlisted investments by 28% would result in the fair values of investments increasing or decreasing by US\$1,290,000. No comparative has been provided to these sensitivities as the directors do not consider that this would provide meaningful information to users of these accounts

Financial instruments, classified and measured at fair value through profit or loss, 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.

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

Inputs other than quoted 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.		30 Sept 2021 US\$000	30 Sept 2020 US\$000
The main categories of financial instruments used by the Group are:	Fair Value		
	Hierarchy Level		
Financial assets			
<i>At fair value through Profit or Loss</i>			
Investments – listed	1	33,642	25,570
Investments – unlisted	3	4,606	2,542

Notes to the condensed consolidated financial statements (continued)

10. Investments (continued)

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

	30 Sept	30 Sept
	2021	2020
	US\$000	US\$000
United States of America	13,492	9,787
United Kingdom	10,068	6,190
Europe, excluding the UK	5,703	4,814
Switzerland	3,022	3,364
Japan	1,357	1,290
South Africa	-	125
	33,642	25,570
Unlisted	4,606	2,542
	38,248	28,112

11. Contingent liabilities

We continue to be involved in litigation against a former consultant in both South Africa and Jersey. It is expected that these proceedings will only be heard in late 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.

12. Events after the reporting date

Since the period end the Group has agreed to the sale of its 50% stake in its associated company, Monteagle Logistics for ZAR 17m (US\$1.1m). This transaction is expected to complete in January 2022, at which time a gain on disposal is expected to be recognised, being the US\$1.1m less the carrying value of the investment in associate

United Kingdom

21 December 2021

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