

**MARSHALL
MONTEAGLE PLC**

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED
30 SEPTEMBER 2022
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

12 December 2022

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 Directors have prepared unaudited interim condensed consolidated financial statements for the 6 months ended 30 September 2022. Included with this report is a dividend declaration.

Overview

The decline in stock market valuations at 30 September 2022 is the overwhelming factor influencing the Group's results for the six months. This has reduced reported profits before tax by US\$5,381,000. Increases in valuations since the period end have substantially reversed these reductions. Performance of the trading business has been good with sales of new product groups and to new customers more than offsetting net declines in other areas.

The balance sheet for Marshall Monteagle PLC and its subsidiaries (“the Group”) remains strong, and the dividend is being maintained. At 30 September 2022, cash balances, net of overdrafts, were US\$10,142,000 (31 March 2022 – US\$6,033,000).

Our total net assets amount to US\$2.31 per share, which compares with US\$2.53 per share at 31 March 2022. Assets outside Africa, net of proposed dividends, stand at US\$68,740,000, equivalent to US\$1.92 per share (31 March 2022- US\$2.02 per share). Net assets, denominated in South African Rands, have decreased to US\$13,343,000 (31 March 2022 – US\$17,451,000), equivalent to US\$0.37 per share (31 March 2022 – US\$0.49 per share) mainly due to a weakening of the value of the South African Rand.

The comparatives below for the six months ended 30 September 2021 have been derived by subtracting amounts reported for the six months to 31 March 2021 from the amounts reported for the 12 months to 30 September 2021.

Headlines

- Group revenue from continuing operations increased 53% to US\$76,724,000 compared to the six months period to 30 September 2021. In constant currency terms revenue on continuing operations increased by 63% to US\$81,812,000.
- Profit before tax on trading and property operations increased by 77% to US\$3,604,000 compared to the six months period to 30 September 2021.
- Loss on revaluation and net loss on sales of investments of US\$5,381,000 due mainly to temporary declines in market values.
- Loss after tax on continuing operations for the period was US\$2,720,000, compared to a restated profit after tax of US\$1,095,000 for the six months period to 30 September 2021. In constant currency terms, the loss was US\$2,702,000.
- Available cash and cash equivalents have increased by 68% to US\$10,142,000 compared to 31 March 2022 mainly due to cash generated by trading operations.
- Headline losses per share were US\$6.9 cents per share compared to profit of US\$0.01 cents per share in the six months period to 30 September 2021 and profit of US\$7.2 cents per share for the six months period to 31 March 2021.
- Basic losses per share were US\$6.9 cents compared to basic earnings of US\$2 cent per share in the six months period to 30 September 2021 and basic earnings of US\$2.9 cents per share in the six months to 31 March 2021.
- An interim dividend of US\$1.9 cents per share will be paid on Friday, 27 January 2023 (30 September 2021 – US\$1.9 cents).
- Net assets per share are US\$2.31. Net assets per share have decreased by 5.3% from the 30 September 2021 figure of US\$2.44 per share.

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

Import and Distribution

International trade remains affected by weakening global demand compounded by the war in Ukraine and supply chain disruption from Covid-19 related lockdowns in China. The sectors that we trade in are less impacted. We constantly review our shipping and supply-chain to ensure that we remain the most cost-effective solution from source to customer. We remain committed to working with suppliers of quality raw materials, skilled technologists and first world production facilities.

The Import and Distribution businesses in food and household consumer products supply goods to multiple retailers, primarily in South Africa and South America. Sales in the period have increased to US\$21,892,000 from US\$18,190,000 in the previous six months with increased sales in Africa more than offsetting declines in South America.

The Manufacturing Inputs business provides fully integrated marketing, logistics, finance, and shipping services for both outputs from the Southern African mining industry and inputs to South African manufacturers. We are committed to partnering with producers and customers who require a professional all-encompassing solution from source 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. Nevertheless, sales in the period have increased to US\$39,780,000 from US\$31,819,000 in the previous six months with increases in metals sales more than offsetting declines in other products.

Consumer spending, market competitiveness and product price inflation in the tool & machinery categories in which are traded have had an effect on the volume of sales as well as gross profit. However, despite these challenges, the DIY market remains buoyant and management are pro-actively looking at ways to continue the momentum of sales.

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. 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 Portfolios

The decline in stock markets prior to the period end has resulted in a substantial reduction in the value of our diversified portfolio of investments at 30 September 2022 but this has been fully recovered since the period end. We continue to be more proactive in the management of parts of our portfolio. We have taken this more active approach to managing investments, seeking additional dividend income, and taking advantage of low trading costs.

Interim Dividend

We are pleased to announce that the Company is to pay a gross interim dividend of US\$1.9 cents per share. The dividend is payable on Friday, 27 January 2023 to shareholders on the register at the close of business on Friday, 13 January 2023. Full details of this dividend are disclosed below.

Outlook

The Group's trading businesses continue to perform well into the second half of the year, and stock markets have recovered from the lows experienced at the end of September, which provide an encouraging basis for full year performance; provided markets are not too disrupted by macroeconomic events.]

R. C. Kerr
Chairman

D.C. Marshall
Chief Executive

Dividend declaration

We are pleased to announce that the Company is to pay a gross interim dividend of US\$1.9 cents (32.94847 South African cents) per share. The dividend is payable on Friday, 27 January 2023 to shareholders on the register at the close of business on Friday, 13 January 2023.

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 Monday, 5 December 2022. 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 17.3413. This has been calculated as the average of the bid/ask spread at 16.00 (United Kingdom time) being the close of business on 5 December 2022.

In respect of the normal gross cash dividend of US\$1.9 cents (332.94847 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, 13 January 2023. All other shareholders are exempt. The gross dividend is for the six-month period ended 30 September 2022 and will be paid on Friday, 27 January 2023.

- 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 (26. 35878 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, 10 January 2023
Shares trade ex-dividend	Wednesday, 11 January 2023
Record date (date shareholders recorded in books)	Friday, 13 January 2023
Pay date	Friday, 27 January 2023

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, 11 January 2023 and Friday, 27 January 2023, both dates inclusive.

Contacts and Addresses

Registered Office

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

Company Secretary

City Group PLC
1 Ely Place
London, EC1N 6RY
Tel: +44 20 7796 9060
E-mail: monteagle@city-group.com

South Africa

11 Sunbury Park, La Lucia Ridge Office Estate,
La Lucia, 4051
(PO Box 4126, The Square 4021)
Tel: +27 31 566 7600

Condensed Consolidated Statement of Total Comprehensive Income

		6 months to 30 Sept 2022	12 months to 30 Sept 2021	18 months to 31 Mar 2022
	Notes	Unaudited US\$000	Reviewed US\$000	Audited US\$000
Continuing operations				
Group revenue	3	76,724	132,945	201,123
Other income	4	1,717	6,009	14,112
		78,441	138,954	215,235
Change in inventories of finished goods and work in progress		(5,937)	5,551	17,861
Finished goods, raw materials and consumables		(51,010)	(105,473)	(172,089)
Employee benefit expense		(4,006)	(7,892)	(11,953)
Depreciation and amortisation expense		(271)	(508)	(795)
Other expenses	5	(18,219)	(22,997)	(35,697)
Finance expense		(775)	(2,075)	(3,383)
(Loss)/Profit before taxation	3	(1,777)	5,560	9,179
Taxation		(943)	(1,487)	(2,490)
(Loss)/Profit after taxation on continuing operations		(2,720)	4,073	6,689
Profit on disposal of discontinued operations		-	-	676
Realised exchange differences on disposed foreign entities		-	(1,504)	(1,775)
Loss after tax on discontinued operations		-	(162)	(159)
(Loss)/Profit for the period		(2,720)	2,407	5,431
(Loss)/Profit attributable to owners of the parent		(2,481)	1,770	4,589
(Loss)/Profit attributable to non-controlling interests		(239)	637	842
Basic and fully diluted (loss)/earnings per share on continuing operations (US\$ cents)	6	(6.9)	9.1	16.3
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)	(150)
Less applicable tax		-	30	99
		-	(76)	(51)
<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		(5,760)	2,873	3,762
Realised exchange differences on translation into US dollars of the financial statements of disposed foreign entities		-	1,504	1,775
		(5,760)	4,377	5,537
Total Other Comprehensive (Loss)/Income		(5,760)	4,301	5,486
Total Comprehensive (Loss)/Income		(8,480)	6,708	10,917
Total Comprehensive (Loss)/Income attributable to owners of the parent		(7,252)	5,666	9,488
Total Comprehensive (Loss)/Income attributable to non-controlling interests		(1,228)	1,042	1,429
Interim dividend per share (US\$ cents)		1.9	1.9	1.9
Second Interim dividend per share (US\$ cents)		-	1.9	1.9
Final dividend per share (US\$ cents)		-	-	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
12 months period ended 30 Sept 2021							
Profit after tax	-	-	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 (Expense)/ 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
6 months period ended 30 Sept 2022							
Profit after taxation	-	-	-	(2,481)	(2,481)	(239)	(2,720)
Other Comprehensive Income – foreign exchange	-	-	(4,771)	-	(4,771)	(989)	(5,760)
Total Comprehensive Income	-	-	(4,771)	(2,481)	(7,252)	(1,228)	(8,480)
Balances at start of period	8,964	23,606	6,575	51,553	90,698	5,390	96,088
Transfer of revaluation of portfolio investments and investment properties from other reserves to retained earnings	-	-	(13,792)	13,792	-	-	-
<i>Transactions with shareholders</i>							
Acquisition of Non Controlling Interests	-	-	-	-	-	(99)	(99)
Dividends paid	-	-	-	(681)	(681)	-	(681)
Balances at end of period	8,964	23,606	(11,988)	62,183	82,765	4,063	86,828

Condensed Consolidated Statement of Financial Position

	Notes	30 Sept 2022 Unaudited US\$000	30 Sept 2021 Reviewed US\$000	31 Mar 2022 Audited US\$000
Non-current assets				
Investment property		27,668	26,147	29,793
Property, plant and equipment		5,605	6,598	6,882
Right of use assets		258	526	416
Accounts receivable		182	314	870
Deferred taxation		230	924	274
General investment portfolio	8	27,948	38,248	33,247
		61,891	72,991	71,482
Current assets				
Inventories		20,640	19,111	32,083
Accounts receivable		24,195	25,612	28,091
Other financial assets		1,070	-	-
Other current assets		422	668	434
Tax recoverable		515	26	531
Cash and cash equivalents		13,294	21,896	17,092
		60,136	67,313	78,231
Total assets		122,027	140,304	149,713
Current liabilities				
Bank overdrafts		(3,152)	(12,621)	(11,059)
Accounts payable		(17,780)	(19,818)	(25,645)
Lease liabilities		(99)	(210)	(194)
Other financial liabilities		(5)	(27)	(1,233)
Tax payable		(384)	(386)	(248)
		(21,420)	(33,062)	(38,379)
Net current assets		38,406	34,251	39,852
Non-current liabilities				
Borrowings		(6,446)	(6,473)	(6,711)
Lease liabilities		(215)	(399)	(289)
Deferred taxation		(7,118)	(7,727)	(8,246)
Total non-current liabilities		(13,779)	(14,599)	(15,246)
Net assets		86,828	92,643	96,088
Capital and reserves				
Called up share capital		8,964	8,964	8,964
Share premium account		23,606	23,606	23,606
Other reserves		(11,988)	4,735	6,575
Retained earnings		62,183	50,252	51,553
Equity attributable to owners of the parent		82,765	87,557	90,698
Non-controlling interests		4,063	5,086	5,390
		87,085	92,643	96,088
Net assets per share attributable to shareholders US\$ cents	7	2.31	2.44	2.53

Condensed Consolidated Statement of Cash Flows

		6 months to 30 Sept 2022	12 months to 30 Sept 2021	18 months to 31 Mar 2022
	Notes	Unaudited US\$000	Reviewed US\$000	Audited US\$000
(Loss)/Profit for the period		(2,720)	2,407	5,431
<i>Adjusted for:</i>				
Taxation		943	1,487	2,490
Depreciation		271	508	795
Share of associated company's results		-	162	159
Finance expense		775	2,075	3,383
Profit on disposal of discontinued operations		-	-	(676)
Realised exchange differences on disposed foreign entities		-	1,504	1,775
Other income	4	(1,056)	(6,368)	(13,010)
Other expense	5	9,673	29	35
<i>Changes in working capital:</i>				
Decrease/(Increase) in inventories		5,649	(5,339)	(17,903)
Increase in debtors		(1,017)	(1,877)	(3,682)
(Decrease)/Increase in creditors		(6,170)	1,348	8,045
		<u>6,348</u>	<u>(4,064)</u>	<u>(13,158)</u>
Interest paid		(723)	(2,029)	(3,326)
Taxation paid		(1,079)	(520)	(1,782)
Net cash inflow/(outflow) from operating activities		<u>4,546</u>	<u>(6,613)</u>	<u>(18,266)</u>
Investment activities				
Purchase of, and improvements to, tangible non-current assets		(168)	(1,163)	(1,533)
Proceeds of disposal of tangible assets		-	14	18
Purchase of NCI in a subsidiary		(99)	-	-
Net proceeds of disposal of subsidiary		-	1,000	1,000
Net proceeds of disposal of associate		-	-	1,163
Acquisition of investments	8	(32,682)	(43,109)	(79,944)
Proceeds on disposal of investments		32,291	36,893	81,055
Dividends received		1,002	1,188	1,707
Interest received		54	274	432
Net cash inflow/(outflow) from investment activities		<u>398</u>	<u>(4,903)</u>	<u>3,898</u>
Cash inflow/(outflow) before financing		<u>4,944</u>	<u>(11,516)</u>	<u>(14,368)</u>
Financing activities				
Repayment of long-term loans		360	(328)	(128)
Leases		(131)	(224)	(371)
Dividends paid – group shareholders		(681)	(1,363)	(2,044)
Dividends paid – non-controlling interests of subsidiaries		-	(122)	(205)
Cash outflow from financing activities		<u>(452)</u>	<u>(2,037)</u>	<u>(2,748)</u>
Net increase/(decrease) in cash and cash equivalents		4,492	(13,553)	(17,116)
Net funds at start of period		6,033	22,324	22,324
Effect of foreign exchange rates		(383)	504	825
Net cash and cash equivalents at end of period		10,142	9,275	6,033

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 and cash generation from recurring income streams 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 18 months ended 31 March 2022, the Company's changed its year-end date from 30 September to 31 March.

The comparative periods presented in these condensed consolidated financial statements were the interim results for twelve months to September 2021 and the annual results for the eighteen months to 31 March 2022.

The results and the cash flow statement for the six months period ended 30 September 2022 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 year ending 31 March 2023 and are the same as those applied and disclosed in the annual financial statements for the 18 months period ended 31 March 2022, with the exception of analysis of reserves. Unrealised profits and losses on investment properties and equity investments have been transferred from Other Reserves to Profit and loss Account with effect from 1 April 2022. Balances remaining in Other reserves relate for foreign exchange movements and revaluation of commercial property.

This interim statement complies with International Financial Reporting Standards and JSE's Listings Requirements. The results for the period to 31 March 2022 are an abridged version of the Group's full accounts for that period, 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 2022 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 period ended 31 March 2022. The only exception is 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 in the interim period.

Notes to the condensed consolidated financial statements (continued)

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

Going Concern

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 September 2022 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:

	6 months to Sept 2022		12 months to Sept 2021		18 months to Mar 2022	
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Continuing operations	Revenue	Result	Revenue	Result	Revenue	Result
Analysed by activity: -						
Import/distribution	75,001	3,594	129,509	2,819	195,951	2,787
Property	1,723	500	3,436	1,001	5,172	1,505
	76,724	4,094	132,945	3,820	201,123	4,292
Unallocated other expenses		(1,432)		(2,195)		(4,464)
Other income		1,717		2,802		7,202
Interest paid		(775)		(2,075)		(3,383)
Profit on trading and property operations before tax		3,604		2,352		3,647
Realised (loss)/gains on disposal of investments		(358)		2,979		6,910
Fair value adjustment on investments		(5,023)		229		(1,378)
Profit on continuing operations before tax		(1,777)		5,560		9,179
Discontinued operations						
Loss on disposal of discontinued operations		-		-		897
Realised exchange differences on disposed foreign entities		-		(1,504)		(1,775)
Loss from discontinued operations		-		(162)		(159)
	76,724		132,945		201,123	
(Loss)/Profit for the year before tax on continuing and discontinued operations		(1,777)		3,894		8,142

Notes to the condensed consolidated financial statements (continued)

3. Segmental reporting (continued)

b) Assets and liabilities analysed by activity:

	30 Sept 2022		30 Sept 2021		31 Mar 2022	
	US\$000 Assets	US\$000 Liabilities	US\$000 Assets	US\$000 Liabilities	US\$000 Assets	US\$000 Liabilities
Import/distribution	50,079	(17,395)	50,341	(18,398)	65,508	(25,984)
Property	28,964	(427)	27,963	(622)	31,491	(593)
Share of associated company's results	-	-	234	-	-	-
Unallocated (including investments, cash, tax, and debt)	42,984	(17,377)	61,766	(28,641)	52,714	(27,048)
Consolidated total	<u>122,027</u>	<u>(35,199)</u>	<u>140,304</u>	<u>(47,661)</u>	<u>149,713</u>	<u>(53,625)</u>

c) Group revenue for continuing operations disaggregated by product type

	6 months to 30 Sept 2022 US\$000	12 months to 30 Sept 2021 US\$000	18 months to 31 Mar 2022 US\$000
<i>Import & Distribution</i>			
FMCG - Africa	16,601	31,831	44,036
FMCG - South America	5,291	12,907	23,393
FMCG - Total	<u>21,892</u>	<u>44,738</u>	<u>67,429</u>
Manufacturing inputs - Africa	21,588	22,512	43,117
Manufacturing inputs - Other	18,192	27,510	34,276
Manufacturing inputs - Total	<u>39,780</u>	<u>50,022</u>	<u>77,393</u>
Tool and Machinery	14,502	34,696	51,129
	<u>76,174</u>	<u>129,509</u>	<u>195,951</u>
<i>Property</i>	1,723	3,436	5,172
Total	<u>77,897</u>	<u>132,945</u>	<u>201,123</u>

Notes to the condensed consolidated financial statements (continued)

4. Other Income

	6 months to 30 Sept 2022 US\$000	12 months to 30 Sept 2021 US\$000	18 months to 31 Mar 2022 US\$000
Net fair value adjustments on investment property	-	1,142	4,459
Net fair value adjustments on investments	-	229	-
Net fair value adjustments on forward exchange contracts	-	-	3
Dividend income	1,002	1,105	1,621
Interest income	54	274	432
Other income	661	142	464
Insurance claims	-	138	-
Legal claim	-	-	223
Net realised gains on disposal of investments	-	2,979	6,910
Total other income in continuing operations	<u>1,717</u>	<u>6,009</u>	<u>14,112</u>

5. Other expenses

	6 months to 30 Sept 2022 US\$000	12 months to 30 Sept 2021 US\$000	18 months to 31 Mar 2022 US\$000
Net fair value adjustments on investments	(5,023)	-	(1,378)
Net losses realised on disposal of investments	(358)	-	-
Exchange loss on balances denominated in foreign currencies	(736)	(950)	(1,214)
Loss on disposal of non-current tangible assets	-	(27)	(33)
Impairment	-	(2)	(266)
Freight and distribution	(5,271)	(6,694)	(11,739)
Fraud	-	-	(1,400)
Auditors' fees	(171)	(418)	(777)
Legal and professional fees	(527)	(1,291)	(1,982)
Marketing and sales expenses	(1,195)	(2,195)	(3,456)
Administration and other expenses	(4,938)	(11,420)	(13,452)
Total other expenses	<u>(18,219)</u>	<u>(22,997)</u>	<u>(35,697)</u>

Notes to the condensed consolidated financial statements (continued)

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 2021 – 35,857,512). A reconciliation of basic and headline earnings/(loss) is shown below.

	6 months to 30 Sept 2022 US\$ cents	12 months to 30 Sept 2021 US\$ cents	18 months to 31 Mar 2022 US\$ cents
Earnings per share			
Basic (loss)/earnings per share on continuing operations	(6.9)	US\$9.1	16.3
Basic loss per share on discontinued operations	-	(4.2)	(3.5)
Basic and fully diluted (loss)/earnings per share	<u>(6.9)</u>	<u>4.9</u>	<u>12.8</u>
Headline (loss)/earnings per share on continuing operations	(6.9)	7.1	8.3
Headline loss per share on discontinued operations	-	-	(0.4)
Headline (loss)/earnings per share on continuing and discontinued operations	<u>(6.9)</u>	<u>7.1</u>	<u>7.9</u>
	US\$000	US\$000	US\$000
Basic (loss)/earnings on continuing and discontinued operations	(2,481)	1,770	4,589
Realised exchange differences on disposed foreign entities	-	1,504	1,258
Basic (loss)/earnings on continuing operations	<u>(2,481)</u>	<u>3,274</u>	<u>5,847</u>
Reconciliation between basic and headline earnings			
Basic (loss)/earnings on continuing and discontinued operations	(2,481)	1,770	4,589
<i>Adjusted for:</i>			
Foreign currency translation reserve recycled to profit or loss	-	1,504	1,775
Net profit on disposal of associate	-	-	(676)
Investment property revaluations	-	(771)	(3,153)
Impairment of non-current asset	-	2	266
Loss on disposal of non-current tangible assets	-	27	33
Headline (loss)/earnings	<u>(2,481)</u>	<u>2,532</u>	<u>2,834</u>

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 (31 March 2022 – 35,857,512)

8. Investments

	6 months to 30 Sept 2022 US\$000	12 months to 30 Sept 2021 US\$000	18 months to 31 Mar 2022 US\$000
Listed investments			
Balance brought forward 1 April	28,998	25,570	25,570
Translation adjustment	(307)	14	18
	<u>28,691</u>	<u>25,584</u>	<u>25,588</u>
Additions	32,682	41,350	77,739
Disposals	(27,697)	(33,914)	(73,451)
Fair value adjustments	(4,766)	1,299	3,136
Fair value adjustments realised on disposal	(4,952)	(679)	(4,014)
Translation adjustment in the period	(2)	2	-
Balance carried forward 30 September	<u>23,956</u>	<u>33,642</u>	<u>28,998</u>

Notes to the condensed consolidated financial statements (continued)

8. Investments (continued)

	6 months to 30 Sept 2022 US\$000	12 months to 30 Sept 2021 US\$000	18 months to 31 Mar 2022 US\$000
Unlisted investments			
Balance brought forward 1 April	4,249	2,542	2,542
Additions	-	2,455	2,903
Disposals	-	-	(696)
Fair value adjustments	(257)	(391)	-
Balance carried forward 30 September	<u>3,992</u>	<u>4,606</u>	<u>4,249</u>
Net book value 30 September	<u>27,948</u>	<u>38,248</u>	<u>33,247</u>

The Group owns 1,641,309 Ordinary Shares in Heartstone Inns Ltd (14.7%) (30 September 2021 – 1,641,309 Ordinary shares). This unlisted investment is carried at fair value of US\$2,300,000 (30 September 2021 - US\$2,666,000) which is calculated based on the net asset value per share at 30 September 2022 of US\$1.56 (2021 - US\$1.8) 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\$1,692,000 (cost – US\$1,759,000) which is calculated based on the value per share of \$4,661 for the most recent fundraising.

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.

The main categories of financial instruments used by the Group are:	Fair Value Hierarchy Level	30 Sept 2022 US\$000	30 Sept 2021 US\$000	31 Mar 2022 US\$000
Financial assets				
<i>At fair value through Profit or Loss</i>				
Investments – listed	1	23,956	33,642	28,998
Investments – unlisted	3	3,992	4,606	4,249

Notes to the condensed consolidated financial statements (continued)

8. Investments (continued)

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

	30 Sept 2022 US\$000	30 Sept 2021 US\$000	31 Mar 2022 US\$000
United States of America	10,783	13,492	10,765
United Kingdom	6,113	10,068	8,431
Europe, excluding the UK	4,481	5,703	5,153
Switzerland	2,579	3,022	3,008
Japan	-	1,357	-
South Africa	-	-	1,641
	23,956	33,642	28,998
Unlisted	3,992	4,606	4,249
	27,948	38,248	33,247

9. 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 2023 at the earliest 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

12 December 2022

Sponsor:

Questco Corporate Advisory Proprietary Limited