

Marshall Monteagle PLC

(Incorporated in Jersey)

(Registration number: 102785)

(External registration number: 2010/024031/10)

JSE Code: MMP ISIN: JE00B5N88T08

("Marshall Monteagle" or "the Company" or "the Group")

Summarised Audited Results for the year ended 31 March 2024 and dividend declaration

Chairman's Statement

Marshall Monteagle PLC ("the Company") is an Investment Company listed on the JSE, which holds a wide and diversified range of investments. The Company and its subsidiaries (collectively referred to as "the Group") is a multinational enterprise that as well as having investments in listed equities and industrial and commercial properties, provides procurement, logistics and trading in various hard and soft commodities, industrial raw materials, consumer food and non-food products.

The Company's objective is to invest for the long term and to generate reliable profits, cash flow and dividends for its shareholders, thereby achieving capital growth for the benefit of all stakeholders. The performance of the investments is monitored and regularly reviewed by the board of directors of the Company ("Board" or "Directors").

The trading environment for the Group's businesses has been very difficult owing to the energy crisis and inflation. All Group companies have had to adjust to this new and challenging environment and our employees and staff in South Africa and abroad have worked very hard to achieve the results of the current period.

As in the prior year, this past financial year which ended on 31 March 2024 has continued to see significant change, requiring continuing adaptability to capitalise on opportunities and minimise disruption to operations. These include the option and choices for groups of staff from managerial to operational, financial and administrative personnel to continue to meet remotely via Microsoft teams, Zoom or otherwise, which have led to increased efficiencies at a reduced cost. Expanding awareness of the consequences of climate change and of the importance and value for all of preserving our planet will have an ongoing impact on the nature of the products handled by our trading businesses. The conflict in the Middle East, the war in Ukraine and increased inflation during the period under review, impacted investment selection and have also continued to highlight the need for the Company to be able to adapt to change quickly with the minimal disruption to operations. Throughout this period the Group has continued to rise admirably to this challenge.

The difficulties experienced highlighted the importance of ensuring that Marshall Monteagle maintains a good financial buffer with the ongoing war in Ukraine, the Israel/Gaza conflict in the Middle East and the rise of inflation during the period under review, all reinforcing the need for a strong and prudent investment policy. The Company has both and will continue to reinforce these areas in the future.

During the year we sold the investment property in the USA and arranged to sell the tool and machinery trading business in South Africa. Management attention can now be focused on investments with more growth prospects and greater cash returns. The cash released will be reinvested over time into existing areas of expertise.

The financial year under review has also seen changes in the guard of the Company. The effects of Covid and ensuing health issues caused David Marshall to stand down on 1 January 2024 as the Company's chief executive in favour of his son Warwick Marshall. On 21 March 2024 David Marshall also resigned as a director of the Company.

David Marshall and his late father Norman Hugh Marshall were founder shareholders and directors of the Company's predecessor, the listed Luxembourg company Monteagle SA (which became Marshall Monteagle SA) and its listed associate Luxembourg company Conafex S.A. Whilst Norman Marshall was essentially a businessman and trader, David Marshall's skills were those of a financial engineer and investor. David Marshall's resignation from the Company's board brought to an end the significant dedication and involvement by him of more than 40 years in the affairs of the Company's predecessor listed Luxembourg company, Marshall Monteagle S.A, and of the Company itself.

I am delighted to welcome John ("Jonty") Peter Jankovich Bésán to the Board as a non-executive director of the Company with effect from 1 April 2024. He brings with him a wealth of useful experience which the management team are already benefitting from.

With major structural changes behind us and a very strong balance sheet, we look forwards to capitalising on the opportunities of the future as they arise.

Business Review

Global events, such as the Ukraine war and the Israel/Gaza conflict, continue to bring uncertainty to the markets through March 2024. Despite these headwinds the investment portfolio has continued to provide steady income through dividends along with increased returns from cash deposits due to higher interest rates. The cash balances have increased due to the sale of Stromesa Court, and it is expected the funds received from this sale will be re-invested into the investment portfolio over the next 12 months.

The Group's balance sheet remains very strong, reinforced by positive trading cash inflows, and the payment of dividend is being maintained. At 31 March 2024, cash balances were US\$41,794,000 (2023 - US\$23,225,000).

The success of the Group's businesses is dependent on the efforts of our staff and support from other stakeholders. We would like to thank our employees in particular, and all other stakeholders, for the flexibility and adaptability that they have demonstrated over the past year. Without their efforts our businesses could not operate and we will continue to support our staff in all ways possible.

Results of operations

- Net assets per share attributable to shareholders are US\$2.46 (2023 – US\$2.38). The increase is primarily as a result of the sale of US investment property.
- Revenue on continuing operations decreased by 13% (2023 - decrease of 7%) to US\$83,005,000 (2023 Restated – US\$95,819,000). In constant currency terms revenue decreased by 9.2%.
- Group profit before tax increased by 592% (2023 - decreased by 86%) to US\$5,965,000 and in constant currency terms by 550% to US\$5,605,000. This was due to the profit on sale of investment property .
- Headline earnings of US\$5.8 cents per share were 231% higher when compared with headline loss of US\$4.4 cents per share in Mar 2023.
- Basic earnings increased to US\$14.6 cents per share compared with earnings of US\$0.6 cents per share in Mar 2023.
- A final dividend of US\$1.9 cents per share was paid on 28 July 2023 and an interim dividends of US\$1.9 cents per share each were paid on 26 January 2024 bringing total dividends for the period to US\$3.8 cents (Mar 2023 – US\$3.8 cents). Taking into account the financial statements and the liquidity of the Company, the Directors are comfortable to declare a final dividend of \$1.9 cents per share will be paid to the shareholders on 26 July 2024 to those shareholders on the register at the close of business on 12 July 2024.

Investment Portfolio and Fixed term cash deposits

Our listed equity portfolios which are actively managed have performed well over the twelve-month period to 31 March 2024. These portfolios are producing steady and healthy dividends combined with significantly increased interest earned on short-term fixed cash deposits. The value of our unlisted investments has reduced following an impairment review.

We remain cautious on the outlook for global equity markets moving into the second half of 2024 and therefore maintain a conservative and defensive balance between quality equities and cash on short-term fixed deposits.

Property Portfolio

At a General Meeting of the shareholders held on 19 March 2024, the shareholders approved the disposal of Stromesa Court, the industrial property based in San Diego, USA. The sale of the property was completed on 20 March 2024 with a net profit before tax of US\$6,172,000.

The Group's South African commercial and light industrial property portfolio has delivered a decent return despite a difficult local economy. While property values in South Africa have remained consistent in local currency terms, overall values have decreased as a result of the reduction in value of the South African Rand, compared with March 2023.

Import and Distribution

Our international import and distribution businesses originally focused on sourcing and supplying multiple retailers with own label fast moving consumer goods (FMCG). These businesses subsequently diversified into metals and minerals trading and have now further diversified into industrial raw-materials (food and non-food) and other inputs to manufacturers. The import and distribution businesses supply goods to multiple retailers, wholesalers and manufacturers throughout Southern and Central Africa and South America. We remain committed to working with producers of quality raw materials, skilled technologists and first world production facilities.

The Industrial raw-materials business provides fully integrated marketing, logistics, finance, and shipping services for both outputs from the Southern African mining industry and inputs for 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.

International trade remains affected by weakening global demand compounded by the war in Ukraine and the war in Gaza. Currency and ocean freight markets have been volatile over the past twelve-month period and we remain cautious on the outlook as we move into the second half of 2024.

The continuing import and distribution business has achieved a substantial increase in FMCG sales in the year which was offset by a reduction in sales from our non-food industrial raw-materials division. This reduction was predominantly due to one of our major customers going into business rescue. Over the year we have rationalised the range of non-food manufacturing inputs being imported into South Africa leading to reduced sales in this space. Sales of metals and minerals from South Africa to other countries have been hampered by logistics and supply-chain challenges in South Africa.

On 3 June 2024, the Group finalised the sale of its subsidiary Monteagle Merchant Group Southern Holdings which owned 50% of the South African Tool and Machinery import and distribution business. This business has been sold to management as the cash returns anticipated from the business no longer meet the Group's investment criteria.

Dividend

The Directors have declared a final gross dividend for the year ended 31 March 2024 of US 1.90000 cents per share (34.52737 ZAR cents per share). The dividend will be paid on Friday, 2 August 2024 to those shareholders registered at the close of business on Friday, 19 July 2024.

Shareholders on the South African register will receive their dividend in South African Rand converted from US Dollars at the closing rate of exchange on Tuesday, 25 June 2024 which was US\$1 = ZAR 18.17230).

In respect of the normal gross cash dividend, and in terms of the South African Tax Act, the following dividend tax ruling only applies to those shareholders who are registered on the South African register on Friday, 19 July 2024. All other shareholders are exempt.

- The dividend has been declared from income reserves, which funds are sourced from the Jersey holding company's main bank account in Switzerland.
- The gross dividend in ZAR cents is 34.52737 cents.
- The dividend withholding tax rate is 20% resulting in a net dividend of US 1.52000 cents (27.62190 ZAR cents) per share to those shareholders who are not exempt from the dividend withholding tax.

The issued number of shares as at declaration date is 35,857,512.

The Company's Jersey tax number is CH4513.

Salient dates for the dividend:

Last day to trade	Tuesday, 16 July 2024
Shares trade ex-dividend	Wednesday, 17 July 2024
Record date	Friday, 19 July 2024
Pay date	Friday, 2 August 2024

No dematerialisation or rematerialisation of share certificates, nor transfer of shares between the registers in Jersey and South Africa will take place between Wednesday, 17 July 2024 and Friday, 19 July 2024, both dates inclusive.

By order of the Board
City Group PLC,
Company Secretary

28 June 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended	31 Mar 2024 US\$000	Restated for IFRS 5	31 Mar
		31 Mar 2023 US\$000	2023 US\$000
Continuing operations			
Group revenue	83,005	95,819	125,327
Other income	6,486	2,625	4,242
	89,491	98,444	129,569
Change in inventories of finished goods	3,570	(9,562)	(10,055)
Cost of finished goods, raw materials and consumables	(77,569)	(68,485)	(84,919)
Employee benefit expenses	(3,307)	(3,743)	(7,819)
Depreciation expenses	(26)	(87)	(519)
Other expenses	(9,097)	(17,222)	(23,254)
Finance expense	(576)	(618)	(2,140)
Profit/(Loss) before tax	2,486	(1,273)	863
Taxation	(208)	(570)	(1,046)
Profit/(Loss) for the year on continuing operations	2,278	(1,843)	(183)
Profit from disposal of discontinued operations	4,392	-	-
(Loss)/Profit after tax on discontinued operations	(2,822)	1,660	-
Profit/(Loss) for the year	3,848	(183)	(183)
Profit attributable to owners of the parent	5,250	200	200
Loss attributable to non-controlling interests	(1,402)	(383)	(383)
Basic and fully diluted earnings/(loss) per share on continuing operations (US cents)	6.4c	(5.1)c	0.6c
Basic and fully diluted earnings per share (US cents)	14.6c	0.6c	0.6c
Other Comprehensive (Expense)/Income on continuing operations: -			
Items that may be reclassified subsequently to profit or loss: -			
Exchange differences on translation into US Dollars of the financial statements of foreign entities	(1,352)	(5,079)	(5,079)
Total of items that may be reclassified	(1,352)	(5,079)	(5,079)
Items that will not be reclassified subsequently to profit or loss: -			
Commercial property revaluation movements	48	-	(64)
Less changes to tax on commercial property revaluations	(11)	-	17
Net gain/(loss) on discontinued operations	53	(47)	-
	90	(47)	(47)
Total Other Comprehensive Loss	(1,262)	(5,126)	(5,126)
Total Comprehensive Income/(Loss)	2,586	(5,309)	(5,309)
Total Comprehensive Income/(Loss) attributable to owners of the parent	4,212	(3,966)	(3,966)
Total Comprehensive Loss attributable to non-controlling interests	(1,626)	(1,343)	(1,343)

Consolidated Statement of Changes in Equity

	Called up share capital	Share premium	Other reserves	Retained earnings	Total shareholders' interests	Non- controlling interests	Group Total
Year ended 31 March 2024	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Profit/(Loss) after tax	-	-	-	5,250	5,250	(1,402)	3,848
Other Comprehensive Expense – foreign exchange	-	-	(1,102)	-	(1,102)	(250)	(1,352)
Other Comprehensive Income - revaluation	-	-	64	-	64	26	90
Total Comprehensive Income			(1,038)	5,250	4,212	(1,626)	2,586
Transactions with shareholders							
Dividends paid	-	-	-	(1,362)	(1,362)	(7)	(1,369)
Balances at start of period	8,964	23,606	(11,383)	64,183	85,370	3,978	89,348
Balances at end of period	8,964	23,606	(12,421)	68,071	88,220	2,345	90,565
Year ended 31 March 2023							
Profit/(Loss) after tax	-	-	-	200	200	(383)	(183)
Other Comprehensive Expense – foreign exchange	-	-	(4,142)	-	(4,142)	(937)	(5,079)
Other Comprehensive Expense - revaluation	-	-	(24)	-	(24)	(23)	(47)
Total Comprehensive Loss			(4,166)	200	(3,966)	(1,343)	(5,309)
Transactions with shareholders							
Acquisition of additional shares in subsidiaries	-	-	-	-	-	(61)	(61)
Dividends paid	-	-	-	(1,362)	(1,362)	(8)	(1,370)
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	-	-	-
Balances at end of period	8,964	23,606	(11,383)	64,183	85,370	3,978	89,348

Consolidated Statement of Financial Position

As at 31 March

	31 Mar 2024 US\$000	31 Mar 2023 US\$000
Assets		
Non-current assets		
Investment property	8,614	29,016
Property, plant and equipment	1,098	5,629
Right of use asset	-	347
Deferred taxation	-	153
Accounts receivable in more than one year	80	151
Investments	24,689	32,461
	<u>34,481</u>	<u>67,757</u>
Current assets		
Inventories	9,118	16,932
Accounts receivable	17,318	22,076
Other current assets	225	498
Tax recoverable	-	654
Cash and cash equivalents	41,794	23,225
	<u>68,455</u>	<u>63,385</u>
Assets held for sale	18,366	-
	<u>121,302</u>	<u>131,142</u>
Total assets		
Current liabilities		
Bank overdrafts	(6,339)	(9,418)
Accounts payable	(6,149)	(18,881)
Lease liabilities	-	(77)
Tax payable	(6,690)	(48)
	<u>(19,178)</u>	<u>(28,424)</u>
Liabilities held for sale	(10,178)	-
	<u>57,465</u>	<u>34,961</u>
Net current assets		
Non-current liabilities		
Financial liabilities	-	(6,171)
Lease liabilities	-	(255)
Deferred taxation	(1,381)	(6,944)
Total non-current liabilities	<u>(1,381)</u>	<u>(13,370)</u>
	<u>90,565</u>	<u>89,348</u>
Capital and reserves		
Called up share capital	8,964	8,964
Share premium account	23,606	23,606
Other reserves	(12,421)	(11,383)
Retained earnings	68,071	64,183
	<u>88,220</u>	<u>85,370</u>
Equity attributable to owners of the parent	2,345	3,978
Non-controlling interests	2,345	3,978
Total Equity	<u>90,565</u>	<u>89,348</u>

Consolidated Statement of Cash Flows

for the year ended

	31 Mar 2024 US\$000	31 Mar 2023 US\$000
Operating Activities		
Profit/(Loss) for the year	3,848	(183)
Adjustments:		
Taxation	2,117	1,046
Depreciation	423	519
Interest paid	576	2,140
Net fair value adjustments on investment property	5	(1,461)
Dividend income	(1,030)	(1,152)
Interest income	(1,215)	(345)
Net gain on disposal of investments	(1,205)	(505)
Loss on re-measuring of a disposal group	2,577	-
Net profit on disposal of investment property	(6,172)	-
Other expense*	1,625	3,734
	<u>1,549</u>	<u>3,793</u>
Changes in working capital		
(Increase)/Decrease in inventories	(3,559)	9,684
(Increase)/Decrease in receivables	(1,341)	1,732
Decrease in payables	(4,368)	(4,273)
Cash (used)/accumulated in operations	<u>(7,719)</u>	<u>10,936</u>
Interest paid	(576)	(2,111)
Taxation received/(paid)	208	(1,749)
Cash (outflow)/inflow from operating activities	<u>(8,087)</u>	<u>7,076</u>
Investment activities		
Purchase of and improvements to tangible non-current assets	(351)	(373)
Proceeds of disposal of tangible non-current assets	6	243
Acquisition of investments	(22,424)	(60,770)
Proceeds of disposal of investments	30,063	61,473
Net proceeds of disposal of investment property	25,997	-
Acquisition of additional shares in subsidiaries	-	(61)
Dividends received	4 1,030	1,152
Interest received	1,215	345
Cash inflow from investment activities	<u>35,536</u>	<u>2,009</u>
Cash inflow before financing	<u>27,449</u>	<u>9,085</u>
Financing activities		
Repayment of long-term loans	(5,508)	(302)
Lease payments	(105)	(273)
Dividends paid to Group shareholders	(1,362)	(1,362)
Dividends paid to non-controlling interests of subsidiaries	(7)	(8)
Cash outflow from financing activities	<u>(6,982)</u>	<u>(1,945)</u>
Increase in cash and cash equivalents	20,467	7,140
Cash and cash equivalents at 1 April	13,807	6,033
Effect of foreign exchange rate changes	188	634
Cash and cash equivalents at 31 March	<u>34,462</u>	<u>13,807</u>
Cash and cash equivalents on discontinued operations**	<u>993</u>	<u>-</u>
Cash and cash equivalents on continuing operations	<u>35,455</u>	<u>13,807</u>

*Other expenses consist of impairment of investments of \$1,692,000, gains on fair value of portfolio investments of \$541,000 (2023: loss of \$300,000) and foreign exchange losses amounting to \$567,000 (2023: \$3,412,000), along with various other immaterial expenses and fair value movements.

**Net overdraft in discontinued operations, added back to obtain year end cash balance on continuing operations.

EXPLANATORY NOTES

1. SEGMENTAL REPORTING

For management purposes the Group is organised on a worldwide basis into the following main business segments grouped by similar businesses and services:

Import and distribution	Trade in non-perishable products, such as food, food ingredients, household consumer products, metal and minerals and manufacturing inputs; primarily imports to South Africa and Latin America, and exports from South Africa.
Property	Investment properties in South Africa.
Other activities	Mainly transactions relating to the share portfolios, profits on disposals of tangible non-current assets, local head office costs and interest.

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

Segmental analysis of results	31 Mar 2024		Restated for IFRS5 31 Mar 2023	
	Revenue US\$000	Profit/(loss) US\$000	Revenue US\$000	Profit/(loss) US\$000
Import and distribution	81,171	(418)	93,960	(875)
Property	1,834	11	1,859	(80)
	<u>83,005</u>	<u>(407)</u>	95,819	(955)
Other activities:				
Other expenses		(3,730)		(2,232)
Fair value adjustment on investments		567		(300)
Other income		6,632		2,832
Finance expense		(576)		(618)
Profit/(Loss) on continuing operations before tax		2,486		(1,273)
Discontinued operations				
Profit on disposal	1,549	6,347	-	-
(Loss)/Profit from discontinued operations	26,181	(2,868)	29,508	2,136
	<u>110,735</u>		<u>125,327</u>	
Profit for the year before tax on continuing and discontinued operations		<u>5,965</u>		<u>863</u>

Continuing diversification of products and customers has led to no customers representing 10% or more of the Group sales.

Group revenue disaggregated by product type	31 Mar 2024 US\$000	Restated 31 Mar 2023 US\$000
Continuing operations		
<i>Import & Distribution</i>		
FMCG - Africa	43,693	27,019
FMCG - South America	9,794	10,124
FMCG - Total	<u>53,487</u>	<u>37,143</u>
Manufacturing inputs - Africa	16,079	25,760
Manufacturing inputs - Other	11,605	31,057
Manufacturing inputs - Total	<u>27,684</u>	<u>56,817</u>
Total Import and Distribution	<u>81,171</u>	<u>93,960</u>
<i>Property</i>	<u>1,834</u>	<u>1,859</u>
Total continuing operations	<u>83,005</u>	<u>95,819</u>

1. SEGMENTAL REPORTING (continued)

	31 Mar 2024 US\$000	Restated 31 Mar 2023 US\$000
Discontinued operations		
<i>Property</i>	1,549	1,662
<i>Tool and Machinery</i>	26,181	27,846
	<u>27,730</u>	<u>29,508</u>
Total continuing and discontinued operations	<u>110,735</u>	<u>125,327</u>

Segment assets consist of investment properties, property, plant and equipment, inventories and receivables and exclude investments, cash and tax balances. Segment liabilities are operating liabilities and exclude items such as taxation and borrowings. Unallocated assets and liabilities are investments, holding company assets and liabilities, cash balances, taxation and borrowings. Capital expenditure comprises improvements and additions to investment properties and property, plant and equipment.

Segmental analysis of net assets	Assets US\$000	Liabilities US\$00	Net assets US\$000	Capital Expenditure US\$000	Depreciation/ amortisation US\$000
31 March 2024					
Import and distribution	26,282	(5,404)	20,878	2	(17)
Property	9,921	(512)	9,409	29	(9)
Unallocated (including investments, cash, tax and debt)	66,733	(14,643)	52,090	-	-
	<u>102,936</u>	<u>(20,559)</u>	<u>82,377</u>	<u>31</u>	<u>(26)</u>
Discontinued operations – held for sale	18,366	(10,178)	8,188	320	(397)
Consolidated total	<u>121,302</u>	<u>(30,737)</u>	<u>90,565</u>	<u>351</u>	<u>(423)</u>
31 March 2023					
Import and distribution	43,716	(18,269)	25,447	353	(463)
Property	30,495	(601)	29,894	20	(56)
Unallocated (including investments, cash, tax and debt)	56,931	(22,924)	34,007	-	-
Consolidated total	<u>131,142</u>	<u>(41,794)</u>	<u>89,348</u>	<u>373</u>	<u>(519)</u>

Secondary reporting format – geographical segments

The Group operates in the following geographic areas:

Europe	Location for part of the Group's import and distribution business, the non-trading parent company and most of the Group's investment portfolio.
United States	Location for part of the Group's property portfolio
South Africa	Location for part of the Group's import and distribution business and part of the Group's property portfolio.

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

1. SEGMENTAL REPORTING (continued)

Segmental analysis at 31 March 2024	Group revenue US\$000	Non-Current assets US\$000	Total Assets US\$000	Total Liabilities US\$000
Europe	41,800	81		(3,627)
United States	-	-	83,244	(6,948)
Total outside South Africa	<u>41,800</u>	<u>81</u>	<u>180</u>	<u>(10,575)</u>
South Africa	41,205	9,710	83,424	(9,984)
Total on continuing operations	<u>83,005</u>	<u>9,791</u>	<u>102,936</u>	<u>(20,559)</u>
Discontinued operations				
United States	1,549	-	-	-
South Africa	26,181	-	18,366	(10,178)
Total	<u>110,735</u>	<u>9,791</u>	<u>121,302</u>	<u>(30,737)</u>
Segmental analysis at 31 March 2023				
	Group revenue US\$000	Non-current assets US\$000	Total Assets US\$000	Total Liabilities US\$000
Europe	48,954	82	66,269	(9,300)
United States	-	19,825	20,225	(10,595)
Total outside South Africa	<u>48,954</u>	<u>19,907</u>	<u>86,494</u>	<u>(19,895)</u>
South Africa	46,865	15,236	44,648	(21,899)
Total on continuing operations	<u>95,819</u>	<u>35,143</u>	<u>131,142</u>	<u>(41,794)</u>
Discontinued operations				
United States	1,662	-	-	-
South Africa	27,846	-	-	-
Total	<u>125,327</u>	<u>35,143</u>	<u>131,142</u>	<u>(41,794)</u>

2. OTHER INCOME

	31 Mar 2024 US\$000	Restated 31 Mar 2023 US\$000
Net fair value adjustments on investment property	-	37
Net fair value adjustment on investments	567	-
Dividend income	1,030	1,152
Interest income	1,215	239
Unclaimed dividends provision released	-	449
Settlement claim	1,332	-
Other income	239	243
Net gain on disposal of investments	1,205	505
Net exchange gains	898	-
Total other income from continuing operations	<u>6,486</u>	<u>2,625</u>
Other income from discontinued operations	823	1,617
Net gain on sale of investment property in discontinued operations	6,172	-
Total	<u>13,481</u>	<u>4,242</u>

3. OTHER EXPENSES

	31 Mar 2024 US\$000	Restated 31 Mar 2023 US\$000
Freight and distribution*	(1,944)	(8,343)
Legal and professional fees	(649)	(1,079)
Net fair value adjustments on investment property	(5)	-
Net fair value adjustment on investments	-	(300)
Net fair value adjustment on derivative instruments	(26)	-
Exchange losses	-	(691)
Marketing and sales expenses	(772)	(869)
Premises	-	(34)
Plant, equipment and vehicles	(31)	(295)
Loss on disposal of non-current tangible assets	-	(22)
Impairment of assets	-	(1)
	(1,693)	
Audit related	(300)	(313)
Loss allowance	(1,115)	(630)
Administration and other expenses **	(2,562)	(4,645)
Total other expenses from continuing operations	<u>(9,097)</u>	<u>(17,222)</u>
Other expenses from discontinued operations	(6,957)	(6,032)
Total	<u>(16,054)</u>	<u>(23,254)</u>

*The decline in freight and distribution costs reflects the changes in the mix of sales set out in note 3.

**Admin and other expenses consist of various immaterial balances and therefore are not further split in the note.

4. DISCONTINUED OPERATIONS

a) Monteagle Inc

In March 2024, the Group sold its investment property in California, US, for consideration of US\$26.5m. The property is reported in the current and prior period as a discontinued operation.

Financial information relating to the discontinued operation for the period to date of disposal is presented below:

	11m to Feb 2024 US\$000	12m to 31 Mar 2023 US\$000
Comprehensive income		
Revenue	1,549	1,662
Other Income	6,274	1,424
Operating and other expenses	(1,287)	(451)
Finance costs	(189)	(201)
Profit before tax	<u>6,347</u>	<u>2,434</u>
Taxation	(1,955)	(41)
Profit after tax from discontinued operations	<u>4,392</u>	<u>2,393</u>
Cash flows from discontinued operations		
Operating activities	431	
Investment activities	25,997	
Financing activities	(26,353)	
Net cash outflows on discontinued operations	<u>75</u>	

The net gain from the disposal of the investment property, after taking into account direct costs of \$503,000, is \$6,172,000.

4. DISCONTINUED OPERATIONS (continued)

Consideration	26,500
Direct costs	(503)
Fair value of investment property	<u>(19,825)</u>
Net gain on sale of investment property	<u>6,172</u>

As a result of the sale of the investment property, the Group has decided to exit the US market and is in a process of winding down its US subsidiary, Monteagle Inc.

b) Monteagle Merchant Group Southern Holdings Propriety Ltd

On 3 June 2024 the Group finalised the sale of its subsidiary Monteagle Merchant Group Southern Holdings (Pty) Limited ("MMGSH1") which owns 50% of L&G Tools in South Africa. The associated assets and liabilities of the Group have been presented as held for sale in these financial statements at their fair value, which is lower than their carrying value. Impairment loss of US\$2,577,000 is included in "Discontinued operations" in the Statement of Total comprehensive income. The fair value was determined based on an offer price received by a third party. The fair value of the disposal group is therefore based on level 3 inputs and that the sensitivity of the unobservable inputs would be irrelevant as the purchase price agreed will not change.

	31 Mar 2024 US\$000
Assets held for sale	
Property, plant and equipment	4,375
Right of use asset	455
Trade and other receivables	13,301
Cash and cash equivalents	235
	<u>18,366</u>
Liabilities held for sale	
Trade and other payables	<u>(10,178)</u>
Net assets held for sale	<u>8,188</u>

Financial information relating to the discontinued operation for the period to date is presented below

	12m to 31 Mar 2024 US\$000	12m to 31 Mar 2023 US\$000
Comprehensive income		
Revenue	26,181	27,846
Other Income	721	193
Cost of finished goods, raw materials and consumables	<u>(16,148)</u>	<u>(16,434)</u>
Employee benefit expenses	<u>(3,666)</u>	<u>(4,076)</u>
Operating and other expenses	<u>(5,893)</u>	<u>(6,506)</u>
Loss on re-measuring of a disposal group	<u>(2,577)</u>	-
Finance costs	<u>(1,486)</u>	<u>(1,321)</u>
Loss before tax	<u>(2,868)</u>	<u>(298)</u>
Taxation	46	(435)
Loss after tax from discontinued operations	<u>(2,822)</u>	<u>(733)</u>
Cash flows from discontinued operations		
Operating activities	875	-
Investment activities	<u>(269)</u>	-
Financing activities	<u>(634)</u>	-
Net cash outflows on discontinued operations	<u>(28)</u>	<u>-</u>

5. EARNINGS AND HEADLINE EARNINGS PER SHARE

Earnings per share and headline earnings per share are based on the result attributable to shareholders of the Group and on the weighted average of shares in issue of 35,857,512 (2023 – 35,857,512). There are no dilutive instruments in issue.

	31 Mar 2024	Restated 31 Mar 2023	
Basic earnings/(loss) per share on continuing operations	US\$6.4c	US\$(5.1)c	
Basic earnings per share on discontinued operations	US\$8.2c	US\$5.7c	
Basic and fully diluted earnings per share	US\$14.6	US\$0.6c	
Headline basic earnings/(loss) per share on continuing operations	US\$6.4c	US\$(5.2)c	
Headline basic (loss)/earnings per share on discontinued operations	US\$(0.6)c	US\$0.8c	
Headline basic and fully diluted earnings/(loss) per share on continuing and discontinued operations	US\$5.8c	US\$(4.4)c	
	US\$'000	US\$'000	
Basic earnings on continuing and discontinued operations	5,250	200	
Share of earnings on discontinued operations	(2,972)	(2,043)	
Basic earnings/(loss) on continuing operations	2,278	(1,843)	
	Gross US\$000	Tax US\$000	31 Mar 2024 Net US\$000
Reconciliation between basic and headline earnings			
Basic earnings on continuing operations			2,278
<i>Adjusted for: -</i>			
Fair value adjustments on investment property revaluation	5	(1)	4
Net impairment of non-current asset	1	-	1
Headline earnings			2,283
Basic earnings on continuing and discontinued operations			5,250
<i>Adjusted for: -</i>			
Fair value adjustments on investment property revaluation	5	(1)	4
Profit on disposal of investment properties	(6,172)	1,706	(4,466)
Loss on disposal of non-current assets	16	-	16
Loss on re-measuring of a disposal group	1,288	-	1,288
Net impairment of non-current asset	1	-	1
Headline earnings			2,093
	Gross US\$000	Tax US\$000	31 Mar 2023 Net US\$000
Reconciliation between basic and headline earnings			
Basic loss on continuing operations			(1,843)
<i>Adjusted for: -</i>			
Fair value adjustments on investment property revaluation	(37)	8	(29)
Loss on disposal of investment properties	22	(7)	15
Net profit on disposal of non-current tangible assets	(1)	-	(1)
Net impairment of non-current asset	1	-	1
Headline loss			(1,857)

5. EARNINGS AND HEADLINE EARNINGS PER SHARE (continued)

31 Mar

	Gross US\$000	Tax US\$000	2023 Net US\$000
Reconciliation between basic and headline earnings			
Basic earnings on continuing and discontinued operations			200
<i>Adjusted for: -</i>			
Fair value adjustments on investment property revaluation	(1,461)	(264)	(1,725)
Loss on disposal of investment properties	22	(7)	15
Net impairment of non-current asset	1	-	1
Net gain on termination of leases	(57)	-	(57)
Net loss on disposal of non-current tangible assets	(1)	-	(1)
Headline loss			<u>(1,567)</u>

6. INVESTMENTS

	31 Mar 2024 US\$000	31 Mar 2023 US\$000
Listed investments		
Balance brought forward	29,044	28,998
Translation adjustment	(188)	(289)
	<u>28,856</u>	<u>28,709</u>
Additions	22,549	60,771
Disposals	(27,479)	(55,607)
Fair value adjustments	530	532
Fair value adjustments realised on disposal	(1,378)	(5,361)
Balance carried forward	<u>23,078</u>	<u>29,044</u>
Derivatives – Put options		
Balance brought forward	-	-
Additions	(125)	-
Fair value adjustments	(26)	-
	<u>(151)</u>	<u>-</u>
Unlisted investment		
Balance brought forward	3,417	4,249
Additions	-	-
Disposals	-	-
Fair value adjustments	37	(832)
Impairment	(1,692)	-
Balance carried forward	<u>1,762</u>	<u>3,417</u>
Net book value	<u>24,689</u>	<u>32,461</u>
	31 Mar 2024 US\$000	31 Mar 2023 US\$000
Geographical analysis		
Investments listed in:		
UK	7,821	7,418
USA	9,988	11,451
Europe	3,765	5,018
Switzerland	1,281	2,183
South Africa	72	2,974
	<u>22,927</u>	<u>29,044</u>
Unlisted in Europe	1,762	3,417
	<u>24,689</u>	<u>32,461</u>

6. INVESTMENTS (continued)

A portion of the Parent Company's listed portfolio investments, with a value of US\$23,004,000 (2023 – US\$23,371,000) is pledged to secure an overdraft facility of US\$12,633,000 (2023 – US\$12,364,000), of which US\$Nil (2023 – US\$1,553,000) is drawn at the reporting date.

The Group owns 1,641,309 Ordinary Shares in Heartstone Inns Ltd (14.7%) (2023 – 1,641,309 Ordinary shares). This unlisted investment is carried at fair value of US\$1,762,000 (2023 - US\$1,725,000) which is calculated based on the latest internal share trading scheme price of \$1.07 at 31 March 2024 (2023 - based on internal share trading scheme price of \$1.05) The properties, owned by Heartstone Inns, were last revalued at 31 December 2021 and management believes there have been no significant changes to those property valuations since. Further information about Heartstone Inns is available from its website: www.heartstoneinns.co.uk.

The Group owns 363 shares in GTNS2 Ltd (2023 – 363 shares). As a result of the exercise of share options by a lender, the Group's interest in GTNS2 Ltd has been diluted to a negligible percentage. This investment has been fully impaired and revaluation loss of US\$1,692,000 was recognised in profit or loss under Other Income/Expenses.

7. FINANCIAL INSTRUMENTS

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

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

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

Values other than listed prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) – Level 2

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

The categories of financial instruments used by the Company are:

	Fair Value Hierarchy Level	31 Mar 2024 US\$000	31 Mar 2023 US\$000
Financial assets			
<i>At fair value through Profit or Loss</i>			
Investments – listed	1	23,078	29,044
Investments – unlisted	3	1,762	3,417
Investments – derivatives	1	(151)	-
Forward foreign exchange contracts in Other financial assets	2	32	128
<i>At amortised cost</i>			
Accounts receivable – non-current	n/a	80	151
Accounts receivable - current	n/a	14,133	21,234
Cash at bank in Cash and cash equivalents	n/a	11,794	16,725
Money market funds in Cash and cash equivalents	n/a	30,000	6,500
Financial liabilities			
<i>At amortised cost</i>			
Trade and other payables – current –	n/a	6,147	18,881
Bank loans - non-current secured	n/a	-	6,171
Bank overdrafts	n/a	6,339	9,418

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

The carrying value of bank loans payable in more than one year and loans receivable in more than one year approximates to their fair values. This is due to the loans all attracting market related interest rates, and thus the effect of discounting (using a market rate interest rate) when applying the effective interest rate method would result in no real difference between the fair value determined and the carrying value of the bank loans.

8. CASH AND CASH EQUIVALENTS

Analysis of net funds	2023	Exchange	Cash Flow	2024
	US\$000	movements US\$000	movement US\$000	US\$000
Cash at bank and in hand	16,725	(27)	(4,904)	11,794
Money market funds	6,500	-	23,500	30,000
	<u>23,225</u>	<u>(27)</u>	<u>18,596</u>	<u>41,794</u>
Bank overdrafts	(9,418)	215	2,864	(6,339)
	<u>13,807</u>	<u>188</u>	<u>21,460</u>	<u>35,455</u>

9. EVENTS AFTER THE REPORTING DATE

On 3 June 2024, the Group finalised an agreement to dispose of its entire shareholding in Monteagle Merchant Group Southern Holdings Proprietary Limited (“MMGSH”) for consideration of R64.3 million.

MMGSH holds 50% of the shares in L&G Tool and Machinery Distributors Limited, which is engaged in the import, wholesale and distribution of tools and machinery and household products in South Africa.

The Directors have approved the payment of a final dividend of US\$1.9 cents, (2023 – final dividend of US\$1.9 cents) making a total of US\$3.8 cents (2023 – US\$3.8 cents) for the period. Details and salient dates of the final dividend were published on 28 June 2024.

10. BASIS OF PREPARATION

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

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

Going Concern

The Directors have established that: there have been no significant events that are not in the ordinary course of business since the reporting date except for the sale of Monteagle Merchant Group Southern Holdings Ltd; all borrowing facilities are still in place; the substantial liquid resources held in cash and in the share portfolios are still available; and that there has been no major capital expenditure nor acquisitions since the reporting date. The forecasts and projections of the entities in the Group, taking account of (i) reasonably possible declines in revenue; (ii) rate of inflation and rising costs; (iii) the Group’s bank covenants and liquidity headroom taking into account expected dividends, shows that the Company and other Group entities would be able to operate with appropriate liquidity and be able to meet their liabilities as they fall due. The Group will also be in a position to meet all its obligations for at least twelve months from the approval of these consolidated financial statements. The Directors therefore believe that the going concern basis is appropriate for the Group.

Responsibility Statement

The Directors take full responsibility for the preparation of these summarised audited results and confirm and that the financial information therein has been correctly extracted from the underlying audited annual financial statements.

Audit Report

This report for the year ended 31 March 2024 was prepared under the supervision of the Financial Director, Mr E.J. Beale. Although these financial results were themselves not audited they are extracted from the consolidated and company annual financial statements which were audited by Grant Thornton Limited who issued an unmodified audit opinion on the financial statements. Their audit opinion, together with the audited annual financial statements, can be viewed at www.city-group.com/london-finance-investment-group-plc/marshall-monteagle-plc/. The Company’s

Annual Report, containing its audited annual financial statements and notice of annual general meeting, will be mailed to shareholders on or before the 12th July 2024.

28 June 2024
Johannesburg

Sponsor
Questco Corporate Advisory Proprietary Limited