Invicta
HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER

2018

Invicta Holdings Limited
Registration number 1966/002182/06
("Invicta" or the "Company" or the "Group")

Financial highlights

Revenue
R5,28 billion
↑ 5%

Profit attributable to ordinary shareholders before specific taxation expense*
R209 million
↓ 20%

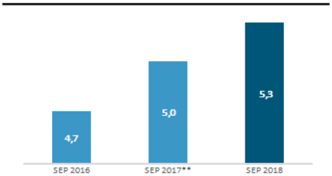
Operating profit before foreign exchange movements
R403 million
↓ 11%

Headline earnings per share before specific taxation expense*
189 cents
↓ 17%

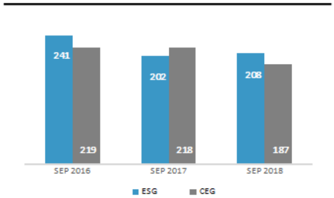
Headline earnings per share after specific taxation expense*
2 cents
↓ 99%

***Pro forma**

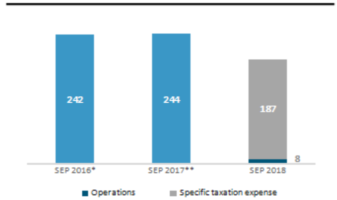
Revenue
(R billion)



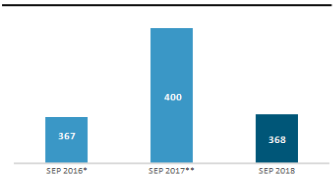
Segment operating profit before foreign exchange movements
(R million)



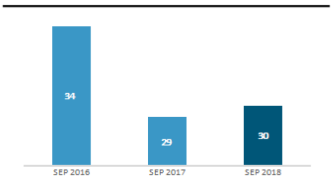
Earnings per share
(cents)



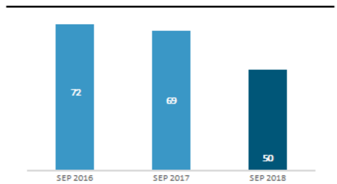
Profit before taxation
(R million)



Net interest-bearing debt : equity
(%)



Ordinary dividends paid
(cents)



*Restated
**Re-presented

Executive review of our performance

Overview of the period

The Invicta Group has managed to grow revenue in a tough environment by a commendable 5%.

As world economic and currency volatility continues to dominate, the Group continues to consolidate and strengthen its operations in the key market sectors in which it operates.

Group performance

Operational overview

Operations comprise:

• ESG (Engineering Solutions Group) – distributor of engineering products (e.g. bearings, belts, tools, electric motors, hydraulics etc.), technical services and solutions.

• CEG (Capital Equipment Group) – distributor of agricultural machinery, construction and earthmoving machinery, forklifts and related spare parts, including Kian Ann Engineering, which is based in Singapore.

Revenue has grown by a commendable 5% to R5,28 billion and operating profit before foreign exchange costs declined by 11% to R403 million for reasons detailed below.

Shareholders are referred to a SENS announcement on 27 September 2018, wherein shareholders were advised that settlement had been reached with the South African Revenue Service ("SARS"), in terms of which Invicta would pay a total amount of R750 million in respect of a taxation dispute, over the course of four years. This resulted in Invicta raising an additional specific taxation expense of R200 million during the current financial year, which fell into the period under review, resulting in the settlement amount being fully provided for at 30 September 2018.

Despite the additional specific taxation expense, the Group still managed to post a profit for the period of R58 million. Excluding this specific taxation expense, the headline earnings would have been R202 million, 17% lower than the comparative period, which is reflective of the challenging domestic environment.

Cash and cash equivalents at the end of the reporting period were healthy at R1 billion, up 99% from the comparative period. Cash generated by operations of R91 million was R20 million down on the comparative period.

Pro forma financial information

The pro forma financial information below has been prepared for illustrative purposes only to provide information on how the specific taxation expense has impacted the financial results of the Group. The purpose of pro forma financial information is to show profit attributable to ordinary shareholders before or excluding the effect of the specific taxation expense.

Because of its nature, the pro forma financial information may not be a fair reflection of the Group's results of operation, financial position, changes in equity or cash flows.

The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies that comply with International Financial Reporting Standards. These are consistent with those applied in the unaudited condensed consolidated results for the period ended 30 September 2018.

No other adjustments have been made to the pro forma financial information.

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements.

Executive review of our performance

The effect of the specific taxation expense on our condensed consolidated statement of profit or loss and other comprehensive income is as follows:

	Note	% Change	30 Sep 2018 R'000	Re-presented 30 Sep 2017 R'000
Profit before taxation	1	(8)	**368 416**	400 231
Current taxation	2		**(110 322)**	(84 688)
Profit for the period, before specific taxation expense		(18)	**258 094**	315 543
Profit attributable to non-controlling interest	1		**(7 956)**	(12 487)
Profit attributable to preference shareholders	1		**(41 426)**	(42 405)
Profit attributable to owners of the Company, before specific taxation expense		(20)	**208 712**	260 651
Specific taxation expense	3		**(200 000)**	–
Profit attributable to owners of the Company	1	(97)	**8 712**	260 651
Shares in issue ('000)			**106 953**	106 953
Headline earnings per share, before specific taxation expense (cents)		(17)	**189**	227
Specific taxation expense (cents)			**(187)**	–
Headline earnings per share, after specific taxation expense (cents)	4	(99)	**2**	227

Notes:

1. As per the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 September 2018.
2. Current taxation expense excluding the specific taxation expense.
3. Being the specific taxation expense as explained in this announcement.
4. Per share calculation is based on adjusted profit.

Discontinued operations

Last year, the BSG division (consisting of the MacNeil and Tiletoria group of companies) was sold, effective 30 September 2017. Shareholders are referred to a SENS announcement in this regard dated 10 October 2017, wherein it was noted that the purchase consideration was subject to a potential further maximum adjustment of R84 million (60% of which will be attributable to Invicta), up or down, based on the EBITDA of BSG for the financial year ending 30 September 2018. Invicta has not had any formal communication from BSG in this regard. Shareholders will be advised of the outcome of this when it has been finalised.

MacNeil Plastics is no longer accounted for as held for sale and has consequently been reconsolidated into the statement of profit and loss for all periods. However, in terms of IFRS, in the statement of financial position, the assets and liabilities are reflected as held for sale in the comparative periods. The relevant amounts are not material - net asset value in the comparative period was R64 million.

ESG

The Engineering Solutions Group (ESG) has had a strong half year against the back drop of a still relatively uncertain industrial and mining sector. Revenue grew by a more than respectable 13% to R2,56 billion as the acquisition of Fenner gained traction and the core consumables business performed strongly.

Operating profit before foreign exchange movements grew by 3% to R208 million due to a lower gross profit as a result of currency and market related pricing pressures.

The consolidation of the central warehouse and logistics hub continues to take central focus with inventory efficiencies set to come through by year end. As world demand for commodities and industrial product has increased, lead times from suppliers have moved out substantially, resulting in larger stock holdings to compensate for this, which has offset efficiencies achieved through the BMG World facility in Johannesburg. This is, however, getting the attention of management and a plan to reduce inventories is in place.

The acquisition of the Forge Industrial Group (comprising Toolquip and Allied, F & H Machine Tools and Belt Brokers), with effect from 3 September 2018, is in the process of being bedded down and all integration expenditure is expected to be concluded by the financial year end. Contribution to revenue from these businesses is expected to be R400 million per annum.

Executive review of our performance (continued)

CEG

CEG struggled to maintain the strong performance levels achieved in the prior comparative period with revenue declining by 1,5% to R2,52 billion.

Operating profit before foreign exchange movements declined by 14% to R187,2 million, mainly as a result of poor conditions in the domestic capital equipment sector, particularly with low demand for large kW tractors and combine harvesters in the agricultural sector and low expenditure on infrastructure, which affected the earthmoving and construction machinery divisions. It is also worth remembering that CEG relinquished the New Holland agricultural machinery agency with effect from 1 June 2017. As a result the comparative period's revenue includes related revenue from New Holland products for two months. Overheads increased abnormally due to increased provisions being raised in CEG on used agricultural equipment stock as well as on implementing increased debtor provisioning.

CEG continued to hold strong cash balances throughout the period, which has helped it further contribute to the Group's interest income.

Kian Ann continues to perform well and has again performed above the prior period at both the revenue and operating profit level, as the world market and world economic activity tracks ahead of South Africa.

Strategic focus and prospects

The Group's strategic focus remains unchanged: maximizing current operations, ensuring good cashflows and all the while seeking suitable acquisitions.

The management and board of Invicta have taken a decision to shelve the delisting of Invicta and simultaneous inward listing of Invicta Global Holdings Plc ("Invicta Global") on the Johannesburg Stock Exchange, whereby Invicta Global would have acquired all of the ordinary and preference shares in Invicta, in return for the issue of the equivalent (i.e. one for one) number of ordinary and preference shares in Invicta Global.

This decision was taken given the current domestic and international micro and macro-economic climate, including inter alia, the uncertainty around Brexit, unstable global trade and market volatility. The board feels that it is in the best interests of the company and its shareholders to shelve the above process until conditions have improved. This will, however, not stop the Group from its global growth strategy and it will continue to expand its operations internationally.

The Group remains resolute in its efforts to produce results above market benchmarks and its competitors. Trading conditions in South Africa are expected to remain challenging for the next 12 months until after the general election in May next year.

The businesses that make up the Group have strong fundamentals and enjoy significant competitive advantage. Management will continue to consolidate the strengths of the current businesses that make Invicta one of the leading suppliers of industrial consumable products, capital equipment and spare parts in southern Africa and South East Asia.

Any forward looking statement in this announcement has not been reviewed nor reported on by the Company's auditors.

Changes to the board and board committees

The board is pleased to announce that Mr. LR Sherrell has been appointed to the audit committee on a temporary basis with effect from 16 November 2018. The board is in the process of appointing a new independent non-executive director to serve on the audit committee, which will bring its composition back in line with the recommendations of King IV. Ms. R Naidoo resigned effective 25 September 2018 as an independent non-executive director.

Dividend policy

The board further advises that it has declared an ordinary dividend of 50 cents per share, consistent with the prior dividend payment. The normal dividend policy of a dividend cover ratio of 3.5 times at interim results, adjusted to 2.75 times at year-end, is expected to resume by year-end, contingent upon Group cashflows.

Appreciation

The board is cognizant of the challenging economic and operational environments in which the Group operates and wishes to thank all management and staff once again for the dedication and perseverance in getting the job done.

The board is confident that, with the strengths the Group possesses and the strategic decisions that the board will take, the Group will continue to deliver sustainable value to all stakeholders.

Condensed consolidated statement of profit or loss and other comprehensive income

		Unaudited six months ended		Year ended
			Re-presented	Re-presented
		30 Sep	30 Sep	31 Mar
	%	2018	2017	2018
	change	R'000	R'000	R'000
Revenue	5	**5 284 191**	5 040 650	9 994 103
Gross profit		**1 554 970**	1 464 017	3 041 222
Operating profit before foreign exchange movements	(11)	**403 268**	452 680	947 897
Net foreign exchange (cost)/profit		**(3 111)**	5 072	(71 421)
Operating profit	(13)	**400 157**	457 752	876 476
Interest received and dividends received from financial investments		**74 476**	409 287	824 588
Interest paid		**(110 407)**	(468 997)	(947 769)
Share of profits of associates		**4 190**	2 189	13 593
Profit before taxation	(8)	**368 416**	400 231	766 888
Taxation		**(310 322)**	(84 688)	(535 623)
Profit for the period		**58 094**	315 543	231 265
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translating capitalised loans		**(515)**	3 578	(2 923)
Exchange differences on translating foreign operations		**181 122**	65 403	(69 058)
Total comprehensive income for the period		**238 701**	384 524	159 284
Profit attributable to:				
Owners of the Company		**8 712**	260 651	126 215
Non-controlling interest		**7 956**	12 487	20 993
Preference shareholders		**41 426**	42 405	84 057
		58 094	315 543	231 265
Total comprehensive income attributable to:				
Owners of the Company		**184 150**	327 260	55 833
Non-controlling interest		**13 125**	14 859	19 394
Preference shareholders		**41 426**	42 405	84 057
		238 701	384 524	159 284
Earnings per share (cents)	(97)	**8**	244	118
Diluted earnings per share (cents)	(97)	**8**	244	118

** Re-presented - refer to page 11 for further detail.*

Condensed consolidated headline earnings and earnings per share

		Unaudited six months ended		Audited year ended
		30 Sep	30 Sep	**31 Mar**
	%	**2018**	2 017	2018
	change	**R'000**	R'000	R'000
Determination of headline earnings				
Attributable earnings		**8 712**	260 651	126 215
- Impairment of investment in associate(s)		**1 588**	–	–
- Gain from bargain purchase price recognised		**(3 639)**	–	–
- Profit on disposal of investments		**–**	(24 439)	(24 440)
- Profit on disposal of other assets		**(649)**	(278)	(326)
- Net profit on disposal of property, plant and equipment		**(5 238)**	(2 163)	(13 335)
- Impairment of goodwill		**–**	–	4 767
- Reversal of impairment of loans		**–**	(297)	–
Total adjustments before taxation and non-controlling interest		**(7 938)**	(27 177)	(33 334)
Taxation		**1 290**	9 251	11 532
Total adjustments		**(6 648)**	(17 926)	(21 802)
Headline earnings		**2 064**	242 725	104 413
Headline earnings per share (cents)	(99)	**2**	227	98
Weighted average ('000)		**106 953**	106 953	106 953
At the end of the period ('000)		**108 495**	108 495	108 495
Headline earnings per share (cents)	(99)	**2**	227	98
Earnings per share (cents)	(97)	**8**	244	118
Dividends per share* (cents)		**50**	69	119
- Interim	(28)	**50**	69	69
- Final	–	**–**	–	50

** In accordance with IAS 10 (Events After The Reporting Period), the final interim dividend of 50 cents per share proposed by the directors has not been reflected in the final results as it had not been declared at the end of the period.*

Condensed consolidated statement of financial position

	Unaudited six months ended		Audited year ended
	30 Sep	30 Sep	**31 Mar**
	2018	2 017	2018
	R'000	R'000	R'000
ASSETS			
Non-current assets	**3 106 728**	8 582 259	2 928 453
Property, plant and equipment	**1 879 999**	1 728 490	1 720 797
Financial investments and investment in associates	**120 765**	2 193 603	119 184
Goodwill and other intangible assets	**834 528**	765 999	835 624
Financial assets, finance lease and long-term receivables	**54 272**	3 718 675	52 979
Deferred taxation	**217 164**	175 492	199 869
Current assets	**8 634 878**	7 775 658	7 228 414
Inventories	**4 464 861**	3 960 585	3 917 689
Trade and other receivables	**2 262 473**	2 089 355	1 620 016
Current portion of financial investments, finance leases and long-term receivables	**678 371**	875 421	648 138
Taxation prepaid	**8 948**	13 985	25 236
Bank and cash balances	**1 220 225**	836 312	1 017 335
Assets classified as held for sale	**–**	173 519	157 978
Total assets	**11 741 606**	16 531 436	10 314 845
EQUITY AND LIABILITIES			
Capital and reserves	**5 253 570**	5 425 915	5 089 771
Equity attributable to the equity holders	**5 141 986**	5 342 435	4 990 298
Non-controlling interest	**111 584**	83 480	99 473
Non-current liabilities	**1 949 454**	7 198 334	1 685 318
Long-term borrowings and financial liabilities	**1 895 252**	7 159 719	1 647 231
Deferred taxation	**54 202**	38 615	38 087
Current liabilities	**4 538 582**	3 797 313	3 422 064
Trade, other payables and provisions	**2 451 117**	2 244 064	1 862 731
Share appreciation rights liability	**21**	4 357	851
Taxation liabilities	**800 246**	195 722	583 170
Shareholders for dividends	**41 489**	41 485	48 995
Current portion of long-term borrowings	**1 094 288**	1 012 910	755 900
Bank overdrafts	**151 421**	298 775	170 417
Liabilities associated with assets held for sale	**–**	109 874	117 692
Total liabilities	**6 488 036**	11 105 521	5 225 074
Total equity and liabilities	**11 741 606**	16 531 436	10 314 845

Condensed consolidated statement of changes in equity

	Unaudited six months ended		Audited year ended
	30 Sep	30 Sep	**31 Mar**
	2018	2 017	2018
	R'000	R'000	R'000
Share capital, share premium and preference share capital			
Share capital	**5 424**	5 424	5 424
Share premium	**2 653 151**	2 653 151	2 653 151
Treasury shares - Balance at the beginning of the period	**(68 057)**	(68 057)	(68 057)
Treasury shares - Movement for the period	**(18 650)**	–	–
Treasury shares - Balance at the end of the period	**(49 407)**	(68 057)	(68 057)
Preference shares	**750 000**	750 000	750 000
Balance at the beginning of the period	**1 635 776**	1 730 052	1 730 052
Other comprehensive income	**50 139**	303 055	210 272
Other reserve movements	**757**	(42 259)	(42 269)
Ordinary and preference dividends paid	**(94 995)**	(143 769)	(262 279)
Balance at the end of the period	**1 591 677**	1 847 079	1 635 776
Other reserves			
Balance at the beginning of the period	**14 004**	45 457	45 457
Share appreciation rights issued	**1 899**	677	2 031
Non-controlling interest arising on acquisitions and purchases of non-controlling interests	**–**	–	(5 976)
Other reserve movements	**(201)**	42 095	42 874
Other comprehensive income -translation of foreign operations	**175 438**	66 609	(70 382)
Balance at the end of the period	**191 140**	154 838	14 004
Attributable to equity shareholders	**5 141 986**	5 342 435	4 990 298
Non-controlling interest			
Balance at the beginning of the period	**99 473**	152 084	152 084
Other comprehensive income	**13 125**	14 859	19 394
Transfer from non-distributable and other reserve movements	**2**	–	–
Non-controlling interest arising on acquisitions and purchases of non-controlling interests	**–**	(1 092)	10 232
Disposal of subsidiary	**–**	(81 932)	(81 567)
Ordinary and preference dividends paid	**(1 016)**	(439)	(670)
Balance at the end of the period	**111 584**	83 480	99 473

Condensed consolidated statement of cash flows

	Unaudited six months ended		Audited year ended
	30 Sep	30 Sep	**31 Mar**
	2018	2017	2018
	R'000	R'000	R'000
Cash flows from operating activities			
Cash generated from operations	**91 125**	111 141	427 531
Finance costs	**(110 407)**	(468 328)	(977 487)
Dividends paid to Group shareholders and non-controlling interest	**(103 516)**	(152 316)	(263 547)
Taxation paid	**(79 578)**	(57 187)	(163 206)
Interest and dividends received	**74 476**	409 287	841 799
Net cash outflow from operating activities	**(127 900)**	(157 403)	(134 910)
Cash flows from investing activities			
Proceeds on sale of property, plant and equipment and other intangible assets	**47 283**	15 869	51 265
Additions to property, plant and equipment	**(100 471)**	(130 442)	(258 938)
Additions to intangible assets	**(2 095)**	(6 879)	(26 617)
Acquisition of subsidiaries and associates	**(171 782)**	–	(99 484)
Disposal of subsidiary	**–**	174 505	–
Dividend received from associate	**4 479**	–	–
Proceeds on sale of subsidiaries	**–**	–	503 776
Net decrease/(increase) in long-term receivables and finance lease receivables	**6 175**	(236 516)	(421 924)
Net decrease/(increase) in financial investments	**4**	(104 081)	(212 731)
Net (increase)/decrease in current portion of financial investments and long-term and finance lease receivables	**(30 336)**	(124 174)	103 109
Net cash outflow from investing activities	**(246 743)**	(411 718)	(361 544)
Cash flows from financing activities			
Increase in long-term borrowings	**221 140**	320 542	844 594
Net cash outflow on financial transaction	**–**	–	(5 129)
Non-controlling interest arising on issue of shares	**–**	–	12 201
Increase/ (decrease) in current portion of long-term borrowings and financial liabilities	**343 848**	77 854	(172 183)
Acquisition of non-controlling interest	**–**	(1 275)	(6 453)
Net cash inflow from financing activities	**564 988**	397 121	673 030
Net increase/(decrease) in cash and cash equivalents	**190 345**	(172 000)	176 576
Cash and cash equivalents at the beginning of the period	**858 102**	701 081	701 081
Effect of foreign exchange rate movement on cash balance	**20 357**	6 590	(19 555)
Cash and cash equivalents at the end of the period	**1 068 804**	535 671	858 102

Cash and cash equivalents			
Bank and cash balances	**1 220 225**	836 312	1 017 335
Bank overdrafts	**(151 421)**	(298 775)	(170 417)
Cash and cash equivalents	**1 068 804**	537 537	846 918
Cash and cash equivalents classified as available for sale	**–**	(1 866)	11 184
Total	**1 068 804**	535 671	858 102

Other information

	Unaudited six months ended		Audited year ended
	30 Sep	30 Sep	**31 Mar**
	2018	2 017	2018
Net interest-bearing debt:equity ratio (excluding long-term debt secured by investments and loans) (%)	**30%**	29%	27%
Depreciation and amortisation (R'000)	**69 137**	60 839	141 137
Net asset value per share (cents)	**4 842**	4 924	4 691
Tangible net asset value per share (cents)	**4 073**	4 218	3 921
Capital expenditure (R'000)	**100 471**	130 442	258 938
Capital commitment (R'000)	**49 407**	148 621	20 568

Segment information

	Engineering Solutions R'000	Capital Equipment R'000	Group, financing and other operations R'000	Total continuing operations R'000	Discontinued Operations R'000	Total operations R'000
Unaudited six months ended 30 September						
2018						
Segment revenue	**2 563 725**	**2 516 832**	**203 634**	**5 284 191**	**–**	**5 284 191**
Segment operating profit before foreign exchange movements	**207 776**	**187 191**	**8 301**	**403 268**	**–**	**403 268**
Segment assets	**3 713 028**	**4 461 911**	**3 566 667**	**11 741 606**	**–**	**11 741 606**
Segment liabilities	**1 132 662**	**1 746 003**	**3 609 371**	**6 488 036**	**–**	**6 488 036**
2017						
Segment revenue*	2 270 321	2 555 507	214 822	5 040 650	732 706	5 773 356
Segment operating profit before foreign exchange movements*	202 414	217 998	7 829	428 241	17 964	446 205
Segment assets	2 889 938	4 417 641	9 050 338	16 357 917	173 519	16 531 436
Segment liabilities	754 546	1 809 263	8 431 838	10 995 647	109 874	11 105 521
Year ended 31 March						
2018						
Segment revenue*	4 558 638	5 073 506	361 959	9 994 103	749 434	10 743 537
Segment operating profit before foreign exchange movements*	478 700	451 746	17 451	947 897	12 276	960 173
Segment assets	3 135 526	3 846 958	3 174 383	10 156 867	157 978	10 314 845
Segment liabilities	814 839	1 437 370	2 855 173	5 107 382	117 692	5 225 074

** Re-presented - refer to page 12 for further detail.*

Notes to the financial information

Basis of preparation

The Group's condensed consolidated interim financial statements (results) are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, the requirements of the Companies Act applicable to condensed financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contain information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the results are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the Group's previous consolidated annual financial statements. All accounting policies effective for the 2019 financial year onwards were applied in the preparation of the Group results.

Prepared by

These unaudited condensed consolidated results have been prepared under the supervision of Ms. Nazlee Rajmohamed CA(SA), the Group Financial Director.

Events after the reporting date

There were no events to report on after the reporting period to the date of this report.

Reconciliation of profit before taxation to cash generated from operations

	Unaudited six months ended		Audited year ended
	30 Sep	30 Sep	**31 Mar**
	2018	2 017	2018
	R'000	R'000	R'000
Profit before taxation	**368 416**	399 085	767 650
Adjusted for:			
Depreciation and amortisation	**69 137**	69 770	141 137
Impairment of assets	**–**	(279)	4 767
Net profit on disposal of assets	**5 706**	(24 865)	(37 707)
Loss on realisation of financial transaction	**–**	–	20 002
Finance costs	**110 407**	468 328	977 487
Interest and dividend received	**(74 476)**	(409 287)	(841 799)
Net share of profits of associate	**(4 190)**	(2 189)	(13 657)
Other non-cash items	**7 607**	(409)	(4 957)
Cash generated before movements in working capital	**482 607**	500 154	1 012 923
Working capital changes	**(391 482)**	(389 013)	(585 392)
Increase in inventories	**(297 418)**	(283 737)	(266 303)
Increase in trade and other receivables	**(521 147)**	(275 782)	(146 943)
Increase/(decrease) in trade and other payables and provisions	**427 083**	170 506	(172 146)
Cash generated from operations	**91 125**	111 141	427 531

Notes to the financial information

Re-presentation of discontinued operations

The MacNeil Plastics business ("the business") was classified and accounted for as held for sale for the reporting periods ended 30 September 2017 and 31 March 2018. The sale of the business is subsequently no longer viewed as highly probable and as a result the business has not been classified as a disposal company held for sale for the reporting period ended 30 September 2018.

The results of the business previously presented in discontinued operations have been re-presented in accordance with IFRS 5 (par 36) and the impact on the reported financial results has been disclosed below:

Condensed consolidated statement of profit or loss and other comprehensive income

30 September 2017	As previously reported R'000	Re-presented amount R'000	As re-presented R'000
Revenue	4 856 553	184 097	5 040 650
Gross profit	1 433 392	30 625	1 464 017
Operating profit before foreign exchange movement	450 864	1 816	452 680
Net foreign exchange profit	5 072	–	5 072
Operating profit	455 936	1 816	457 752
Interest received and dividends received from financial investments	409 287	–	409 287
Interest paid	(468 327)	(670)	(468 997)
Share of profit/(losses) of associates	2 189	–	2 189
Profit before taxation	399 085	1 146	400 231
Taxation	(85 280)	592	(84 688)
Profit for the period	313 805	1 738	315 543
Discontinued operations			
Profit for the period from discontinued operations	1 738	–	–
Profit for the period	315 543	1 738	315 543
Earnings per share from continuing operations (cents)	242	2	244

31 March 2018	As previously reported R'000	Re-presented amount R'000	As re-presented R'000
Revenue	9 639 807	354 296	9 994 103
Gross profit	2 979 073	62 149	3 041 222
Operating profit before foreign exchange movement	940 275	7 622	947 897
Net foreign exchange profit	(71 421)	–	(71 421)
Operating profit	868 854	7 622	876 476
Interest received and dividends received from financial investments	824 563	25	824 588
Interest paid	(947 091)	(678)	(947 769)
Share of profit/(losses) of associates	13 593	–	13 593
Profit before taxation	759 919	6 969	766 888
Taxation	(536 351)	728	(535 623)
Profit for the period	223 568	7 697	231 265
Discontinued operations			
Profit for the period from discontinued operations	7 697	–	–
Profit for the period	231 265	7 697	231 265
Earnings per share from continuing operations (cents)	111	7	118

Notes to the financial information

Re-presentation of discontinued operations (continued)

Segment information

30 September 2017	As previously reported R'000	Re-presented amount R'000	As re-presented R'000
Segment revenue			
Group, financing and other operations	30 725	184 097	214 822
Discontinued operations	916 803	(184 097)	732 706
Total operations	5 773 356	–	5 773 356
Segment operating profit before foreign exchange movements			
Group, financing and other operations	6 013	1 816	7 829
Discontinued operations	19 780	(1 816)	17 964
Total operations	446 205	–	446 205

31 March 2018	As previously reported R'000	Re-presented amount R'000	As re-presented R'000
Segment revenue			
Group, financing and other operations	7 663	354 296	361 959
Discontinued operations	1 103 730	(354 296)	749 434
Total operations	10 743 537	–	10 743 537
Segment operating profit before foreign exchange movements			
Group, financing and other operations	9 829	7 622	17 451
Discontinued operations	19 898	(7 622)	12 276
Total operations	960 173	–	960 173

Acquisitions of subsidiaries and businesses

The significant acquisition undertaken in the current reporting period was the acquisition of the Forge Industrial Group (comprising Toolquip and Allied, F&H Machine Tools and Belt Brokers) which was effective 3 September 2018. A summary of the financial impact of the acquisition is disclosed below:

	Unaudited six months ended		Audited year ended
	30 Sep 2018 R'000	30 Sep 2017 R'000	**31 Mar** 2018 R'000
Fair value of net assets acquired:			
Non-current assets	**17 589**	–	38 763
Current assets	**239 829**	–	29 736
Non-current liabilities	**(1 289)**	–	(14 800)
Current liabilities	**(64 322)**	–	(6 914)
Net tangible asset value	**191 807**	–	46 785
Fair value of net assets acquired	**191 807**	–	46 785
Bank and cash	**(16 386)**	–	187
Net fair value of net assets acquired	**175 421**	–	46 972
Cash outflow on acquisitions	**171 782**	–	99 484
Fair value of net assets acquired	**(175 421)**	–	(46 972)
Total goodwill	**–**	–	52 512
Total gain from bargain purchase price	**(3 639)**	–	–

Notes to the financial information

Fair value disclosure

The following is an analysis of the financial instruments that are measured subsequent to initial recognition at fair value. They are grouped into levels 1 to 3 based on the extent to which the fair value is observable.

The levels are classified as follows:

Level 1 – fair value is based on quoted prices in active markets for identical financial assets or liabilities

Level 2 – fair value is determined using directly observable inputs other than Level 1 inputs

Level 3 – fair value is determined on inputs not based on observable market data

	Unaudited six months ended 30 September				
	2018	Valuation technique(s) and key inputs	Level 1	Level 2	Level 3
Financial assets at fair value					
FirstRand Bank Bonds	**587 197**	**2**	**587 197**	**–**	**–**
Forward exchange contract asset	**10 081**	**1**	**10 081**	**–**	**–**
Financial liabilities at fair value					
Foreign trade payables	**1 293 349**	**3**	**–**	**1 293 349**	**–**
Foreign exchange contract liability	**–**	**1**	**–**	**–**	**–**

	Unaudited six months ended 30 September				
	2017	Valuation technique(s) and key inputs	Level 1	Level 2	Level 3
Financial assets at fair value					
FirstRand Bank Bonds	843 300	2	843 300	–	–
Forward exchange contract asset	9 955	1	9 955	–	–
Financial liabilities at fair value					
Foreign trade payables	1 459 366	3	–	1 459 366	–
Foreign exchange contract liability	–	1	–	–	–

	Audited year ended 31 March				
	2018	Valuation technique(s) and key inputs	Level 1	Level 2	Level 3
Financial assets at fair value					
FirstRand Bank Bonds	588 241	2	588 241	–	–
Forward exchange contract asset	144	1	144	–	–
Financial liabilities at fair value					
Foreign trade payables	998 139	3	–	998 139	–
Foreign exchange contract liability	31 112	1	31 112	–	–

Valuation technique(s) and key inputs:

1. Discounted contractual stream of payments using the zero swap curve at the valuation date.
2. Expected settlement value.
3. Determined by the spot rate at year-end.

There have been no transfers between the levels during the financial period disclosed.

Preference share cash dividend

Notice is hereby given that the Directors of the Company have declared a gross cash dividend on 12 November 2018 of 478.03767 (06 November 2017: 450.20) per preference share for the period from Tuesday, 5 June 2018 to Monday, 12 November 2018. Dividends are to be paid out of distributable reserves.

- Dividends tax (DT) of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from the DT;
- Accordingly, shareholders who are not exempt from DT will receive a net dividend of 382.43014 cents per preference share;
- Invicta Holdings Limited has 7 500 000 preference shares in issue; and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/6.

The salient dates for the preference share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 4 December 2018
Shares commence trading “ex” dividend	Wednesday, 5 December 2018
Record date	Friday, 7 December 2018
Payment date	Monday, 10 December 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 December 2018 and Friday, 7 December 2018, both days inclusive.

Ordinary share cash dividend

Notice is hereby given that the Directors of the Company have declared a gross cash dividend of 50 cents per ordinary share for the period ended 30 September 2018. Dividends are to be paid out of distributable reserves. Dividend tax (DT) of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from DT. In accordance with paragraphs 11.17(1)(i) and 11.17(c) of the JSE Listings Requirements, the following additional information is disclosed:

- The gross local dividend amount is 50 cents per ordinary share for shareholders exempt from the Dividend Tax;
- The net local dividend amount is 40 cents per ordinary share for shareholders liable to pay the Dividend Tax;
- Invicta Holdings Limited has 108 494 738 ordinary shares in issue (which includes 1 541 823 treasury shares); and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/06.

The salient dates for the ordinary share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 4 December 2018
Shares commence trading “ex” dividend	Wednesday, 5 December 2018
Record date	Friday, 7 December 2018
Payment date	Monday, 10 December 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 December 2018 and Friday, 7 December 2018, both days inclusive.

By order of the board

L Dubery
Group company secretary

Cape Town
15 November 2018

Administrative and corporate information

Registered office: Invicta Holdings Limited, 3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria, 7493.

PO Box 6077, Parow East, 7501

legal@invictaholdings.co.za | www.invictaholdings.co.za

Transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196. PO Box 61051, Marshalltown, 2107

Tel: 011 370 5000 www.computershare.com

Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited, Deloitte Place, Building 8, The Woodlands, 20 Woodlands Drive, Woodmead, Johannesburg, 2196

Directors: Dr CH Wiese* (Chairman), A Goldstone (Chief Executive Officer), C Barnard, B Nichles*, GM Pelser, N Rajmohamed, DI Samuels^, LR Sherrell*, AM Sinclair, RA Wally^, Adv JD Wiese*

** Non-executive ^ Independent non-executive*

Group company secretary: L Dubery

www.bmgworld.net

www.capitalequipment.co.za