BELL EQUIPMENT LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1968/013656/06)
("Bell")
Share code: BEL
ISIN: ZAE000028304

PRELIMINARY AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

HIGHLIGHTS

	Audited 31 December 2017	Audited 31 December 2016
Revenue - Up 13%	R6,8bn	R6,0bn
NPAT - Up 604%	R272,1m	R38,6m
HEPS - Up 463%	270c	48c *
Final Dividend - Up 100%	25c	-

* Restated

COMMENTARY BY THE CHAIRMAN AND CHIEF EXECUTIVE

OVERVIEW

We are pleased to report to our various stakeholders that Bell Equipment has delivered a solid result for the year by continuing to build on its strategy for long-term value creation and sustainable growth over the years ahead. The year has delivered significantly better results than 2016.

Bell Equipment is exposed to a number of economies that performed differently during the year under review. Our African operations continued to perform poorly because of relatively low mining activity. Our South African distribution business had a better year as did the European and North American operations despite extensive movement in the Euro to US Dollar exchange rate which subdued profitability particularly for our North American operations.

Further steps towards restructuring our underperforming operations in the DRC, Mozambique and Zambia and reducing the significant losses encountered here over the last few years are beginning to bear fruit and to contribute to better results.

A decade after the world went through a major economic crisis a mark of revival has now been achieved with every major economy expanding, and this will positively impact our business. According to the International Monetary Fund the world economy is expected to grow by between 3% and 4% this year, up from 2.7% in 2017.

Many milestones have been achieved in the past financial year and these have allowed Bell to confirm its position as the global specialist in articulated dump trucks.

FINANCIAL

Revenue for 2017 was up 13% to R6,8 billion. Profit after tax increased to R272,1 million, up from the 2016 result of R38,6 million when Bell recorded substantial operating losses of R185,8 million in the Rest of Africa segment. Headline earnings per share are up from 48 cents per share to a more respectable 270 cents per share.

On average the Rand was stronger in 2017 compared with the 2016 financial year and this impacted sales and margins negatively and partially offset the benefit of higher sales volumes. The stronger Rand also contributed to a reduction in foreign expenses when reported in Rand.

With more buoyant global conditions the board took a strategic decision to increase finished product inventories to respond more rapidly to higher demand across our spectrum of client industries. Current manufacturing locations and philosophies have inherently longer supply chains than some of our global competitors, and we had to counter this.

The board has declared a final dividend of 25 cents per share which added to the interim dividend of 20 cents amounts to a total dividend of 45 cents for the year compared to 15 cents in 2016.

OPERATIONS

With a greater portion of our core products now being sold in the Northern Hemisphere, plans have been confirmed and construction work has begun on expanding our Eisenach-Kindel factory in Germany. This follows on from the completion of our new European Logistics Centre which came into operation in June 2017.

Bell continues to invest in critical research and development to ensure that our products remain at the forefront of innovative design and engineering.

Growth in our South African operations is assured with the global growth in acceptance of the articulated dump truck concept and product, coupled with the addition of new products for our South African distribution business. A full line of excavator machines from Kobelco has been launched and Bell expects to gain a significant share of this business in the local market.

The launch and introduction of the range of Kamaz heavy-duty trucks to the construction and mining industry in South Africa is a diversification which will allow Bell to compete in the lower cost sector of this market. Localisation and production of these trucks are likely to begin early in 2019 at the plant in Richards Bay, bringing with it additional jobs.

Bell continues to be a sizeable employer with approximately 3200 employees worldwide of which approximately 2500 are located in South Africa. The multiplier effect of our operations in South Africa with related businesses providing us with both goods and services is significant, with over 1000 South African companies working together with Bell to produce, service and distribute our products across the world.

SUSTAINABILITY

Risks associated with the sustainability of the group are managed through our strategic planning process, directly involving the board. We are currently focused on growing our global volumes and capturing a greater volume of the annuity income associated with our machinery life cycle.

With increased currency volatility and the impact it has on our competitiveness we are also aggressively driving initiatives to reduce both operational and product costs.

The expansion of our European manufacturing capacity will allow better flexibility, quicker responsiveness to improve our customer experience and support our penetration in the Northern Hemisphere.

We recognise the importance of a sustainable business and along with our geographic product and industry diversity we have built sustainability into the different facets of our operations.

CORPORATE GOVERNANCE

Our commitment to being a good corporate citizen pervades our total approach to the business and we endeavour to act in a responsible, balanced and commercially sensible manner.

We are ever conscious of the impact on the environment and we continue to measure and mitigate these risks.

Bell is committed to the highest standards of corporate governance. Details of governance structures and the extent to which we apply relevant principles of corporate governance, including the King IV Report on Corporate Governance and regulatory requirements, are provided in the integrated annual report.

TRANSFORMATION

Without a sense of purpose Bell would not be able to achieve its full potential which has to include a role and involvement within our local community and its environment, developing a well-trained and diverse workforce as well as providing the retraining and opportunities that our employees and our business need to adjust to an increasingly automated world within an emerging and new South African economy.

Following the conclusion of the BBBEE ownership transaction in Bell Equipment Sales South Africa Limited, our South African distribution business, in 2017, our customers in South Africa now benefit from procuring from a 30% black woman owned entity.

Furthermore, the South African entities are committed to continued focus on the other elements of the BBBEE scorecard.

OUTLOOK

The political changes which took place in South Africa towards the end of 2017 have improved local sentiment and along with improved macroeconomic conditions we believe that all our African operations should deliver significantly better results in 2018.

Improved business sentiment in the South African market will hopefully drive the many infrastructure projects proposed by government.

Most major equipment markets are expected to see growth this year with global construction and mining machinery markets expected to increase by between 10% and 15%.

The North American market for articulated dump trucks disappointed over the last 2 to 3 years with a decline in volumes. A turning point seems to have been reached in the fourth quarter of 2017 and the order book at this time suggests a somewhat stronger year for this very important market for Bell.

BOARD CHANGES

The Board has appointed Leon Goosen, the current chief executive designate, as the chief executive and Gary Bell will step down from his role as chief executive with effect from 1 June 2018. Gary will remain with the group, having been appointed as the non-executive chairman of the board effective 1 June 2018.

In compliance with the King IV requirements, John Barton will assume the role of lead independent non-executive director to ensure adherence to good governance principles. The board acknowledges his valuable chairmanship during the 3 years of his tenure.

On behalf of the board, I would like to thank Gary for his exemplary service, dedication and commitment to the Company since 1971. The board looks forward to Gary's continued contribution as the non-executive chairman. The Company will continue to benefit from his industry experience and intimate knowledge of Bell.

We congratulate Leon on his appointment as chief executive and are confident that he, together with senior management, will continue to grow and build the Bell core business and deliver the right outcomes for the group and its stakeholders.

APPRECIATION

On behalf of the board we thank our executive management and our 1-BELL Team for their considerable efforts and for steering the business through the past year. We also thank our stakeholders for their support and our fellow board members for their guidance and ongoing commitment.

The past year has seen us reach a number of new milestones to propel the group into the next stage of growth with increased contributions from new products and new markets in 2018. We would like to thank everyone for their hard work and dedication and congratulate them on what has been a significantly better year for Bell Equipment.

JR Barton	GW Bell
Independent non-executive chairman	Chief executive

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

R'000	Audited 31 December 2017	Audited 31 December 2016
ASSETS		
Non-current assets	1 111 406	1 029 444
Property, plant and equipment	691 429	704 295
Intangible assets	224 766	216 419
Investments	574	568
Interest-bearing long-term receivables	92 774	16 964
Deferred taxation	101 863	91 198
Current assets	4 246 208	3 477 504
Inventory	3 047 119	2 427 921
Trade and other receivables	778 555	751 672
Current portion of interest-bearing long-term receivables	96 053	56 546
Prepayments	51 912	21 828
Other financial assets	13 139	5 641
Current taxation assets	9 179	29 601
Cash and bank balances	250 251	184 295
TOTAL ASSETS	5 357 614	4 506 948
EQUITY AND LIABILITIES		
Capital and reserves	2 988 602	2 758 247
Stated capital (Note 5)	232 244	232 139
Non-distributable reserves	530 281	553 298
Retained earnings	2 214 236	1 972 810
Attributable to owners of Bell Equipment Limited	2 976 761	2 758 247
Non-controlling interest	11 841	-
Non-current liabilities	351 819	321 787
Interest-bearing liabilities	113 183	103 175
Repurchase obligations and deferred leasing income	1 243	2 034
Deferred income	106 568	84 083
Long-term provisions and lease escalation	42 074	47 781
Deferred taxation	88 751	84 714
Current liabilities	2 017 193	1 426 914
Trade and other payables	1 094 742	759 463
Current portion of interest-bearing liabilities	215 414	51 268
Current portion of repurchase obligations and deferred leasing income	746	763
Current portion of deferred income	94 171	82 903
Current portion of provisions and lease escalation	60 825	69 562
Other financial liabilities	20 272	952
Current taxation liabilities	25 675	15 615
Bank overdrafts and borrowings on call	505 348	446 388
TOTAL EQUITY AND LIABILITIES	5 357 614	4 506 948

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2017

R'000	Audited 2017	Audited 2016
Revenue	6 766 586	6 002 341
Cost of sales	(5 328 636)	(4 604 486)
Gross profit	1 437 950	1 397 855
Other operating income	221 431	168 448
Expenses	(1 226 135)	(1 418 055)
Profit from operating activities (Note 2)	433 246	148 248
Net interest expense (Note 3)	(29 888)	(32 557)
Profit before taxation	403 358	115 691
Taxation	(131 308)	(77 072)
Profit for the year	272 050	38 619
Profit for the year attributable to:		
- Owners of Bell Equipment Limited	260 209	37 472
- Non-controlling interest	11 841	1 147
Earnings per share (basic)(cents) (Note 4)	273	39
Earnings per share (diluted)(cents) (Note 4)	273	39

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2017

R'000	Audited 2017	Audited 2016
Profit for the year	272 050	38 619
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising during the year	(22 311)	(221 639)
Exchange differences on translating foreign operations	(23 744)	(210 970)
Exchange differences on foreign reserves	1 433	(10 669)
Items that may not be reclassified subsequently to profit or loss:	(3 124)	17 340
Surplus arising on revaluation of properties	258	24 300
Taxation relating to revaluation of properties	(3 382)	(6 960)
Other comprehensive loss for the year, net of taxation	(25 435)	(204 299)
Total comprehensive income (loss) for the year	246 615	(165 680)
Total comprehensive income (loss) attributable to:		
- Owners of Bell Equipment Limited	234 774	(166 827)
- Non-controlling interest	11 841	1 147

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

	Attributable to owners of Bell Equipment Limited					
R'000	Stated capital	Non-distributable reserves	Retained earnings	Total	Non-controlling interest	Total capital and reserves

Balance at 31 December 2015 - Audited	230 567	752 269	1 957 219	2 940 055	7 361	2 947 416
Total comprehensive (loss) income for the year	-	(204 299)	37 472	(166 827)	1 147	(165 680)
Transfer to retained earnings relating to expired share options	-	(3 220)	3 220	-	-	-
Decrease in equity-settled employee benefits reserve relating to forfeited share options	-	(702)	-	(702)	-	(702)
Share options exercised	1 572	-	-	1 572	-	1 572
Increase in statutory reserves of foreign subsidiaries	-	9 250	(9 250)	-	-	-
Dividends paid	-	-	(14 273)	(14 273)	-	(14 273)
Transactions with non-controlling interest	-	-	(1 578)	(1 578)	(8 508)	(10 086)
Balance at 31 December 2016 - Audited	232 139	553 298	1 972 810	2 758 247	-	2 758 247
Total comprehensive (loss) income for the year	-	(25 435)	260 209	234 774	11 841	246 615
Transfer between reserves	-	(172)	172	-	-	-
Transfer to retained earnings relating to expired share options	-	(107)	107	-	-	-
Increase in equity-settled employee benefits reserve	-	498	-	498	-	498
Share-based payment relating to BBBEE ownership transaction	-	2 199	-	2 199	-	2 199
Share options exercised	105	-	-	105	-	105
Dividends paid	-	-	(19 062)	(19 062)	-	(19 062)
Balance at 31 December 2017 - Audited	232 244	530 281	2 214 236	2 976 761	11 841	2 988 602

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

R'000	Audited 2017	Audited 2016
Cash generated from operations before working capital changes	665 069	406 005
Cash utilised in working capital	(533 369)	(208 338)
Cash generated from operations	131 700	197 667
Net interest paid	(29 635)	(32 377)
Taxation paid	(112 262)	(76 951)
Net cash (utilised in) generated from operating activities	(10 197)	88 339
Purchase of property, plant and equipment and intangible assets	(135 842)	(135 453)
Proceeds on disposal of property, plant and equipment and intangible assets	7 975	908
(Increase) decrease in interest-bearing long-term receivables	(9 303)	17 155
Net cash utilised in investing activities	(137 170)	(117 390)
Interest-bearing liabilities raised	247 316	45 959
Interest-bearing liabilities repaid	(73 996)	(56 642)
Proceeds from share options exercised	105	1 572
Payments to non-controlling interest	-	(10 086)
Dividends paid	(19 062)	(14 273)
Net cash generated from (utilised in) financing activities	154 363	(33 470)
Net cash inflow (outflow)	6 996	(62 521)
Net bank overdrafts and borrowings on call at beginning of the year	(262 093)	(199 572)
Net bank overdrafts and borrowings on call at end of the year	(255 097)	(262 093)
Comprising:		
Bank overdrafts and borrowings on call	(505 348)	(446 388)
Cash and bank balances	250 251	184 295
Net bank overdrafts and borrowings on call at end of the year	(255 097)	(262 093)

SUMMARISED NOTES TO THE PRELIMINARY AUDITED CONSOLIDATED RESULTS

for the year ended 31 December 2017

R'000	31 December 2017	31 December 2016

1 ACCOUNTING POLICIES

The consolidated financial statements, from which these summarised consolidated financial statements have been derived, have been prepared in accordance with International Financial Reporting Standards (IFRS) and the policies and methods of computation are consistent with those applied to the previous year, except for the adoption of amended standards and the changes as described below. The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of properties and financial instruments.

The group has adopted all of the amended standards relevant to its operations and effective for annual reporting periods beginning 1 January 2017. The adoption of these amended standards and interpretations has not had any significant impact on the amounts reported in the financial statements and in this preliminary report.

In the current period the group corrected a calculation error in the group's December 2016 headline earnings per share. Details of this prior period correction are disclosed in note 11.

These summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited's Listings Requirements for preliminary reports and the requirements of the Companies Act in South Africa applicable to summarised financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the information at a minimum as required by IAS 34 Interim Financial Reporting. The preparation of this preliminary report and consolidated financial statements from which these results are summarised was supervised by the Group Finance Director, KJ van Haght CA (SA).

2 PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities is arrived at after taking into account:

	31 December 2017	31 December 2016
Income		
Currency exchange gains	156 361	388 753
Deferred warranty income	81 423	50 764
Decrease in warranty provision	9 087	-
Import duty rebates	84 612	65 020
Net surplus on disposal of property, plant and equipment and intangible assets	3 038	26
Reversal of impairment loss recognised on rental assets	1 942	-

Expenditure		
Amortisation of intangible assets	33 240	33 229
Amounts written off as uncollectible	13 618	33 898
Auditors' remuneration - audit and other services	9 739	10 772
BBBEE share-based payment charge	2 199	-
Consulting fees	27 844	33 270
Currency exchange losses	157 426	419 694
Depreciation of property, plant and equipment	152 902	110 985
Impairment loss recognised on revaluation of buildings	2 597	-
Impairment loss recognised on rental assets	-	8 262
Increase in warranty provision	-	14 060
Operating lease charges	116 456	127 370
Research expenses (excluding staff costs)	46 298	35 501
Severance pay	8 684	9 739
Staff costs (including directors' remuneration)	1 272 171	1 203 963

3 NET INTEREST EXPENSE

Interest expense	43 350	48 174
Interest income	(13 462)	(15 617)
Net interest expense	29 888	32 557

4 EARNINGS AND NET ASSET VALUE PER SHARE

Basic earnings per share is arrived at as follows:		
Profit for the year attributable to owners of Bell Equipment Limited (R'000)	260 209	37 472
Weighted average number of ordinary shares in issue ('000)	95 307	95 159
Earnings per share (basic) (cents)	273	39
Diluted earnings per share is arrived at as follows:		
Profit for the year attributable to owners of Bell Equipment Limited (R'000)	260 209	37 472
Fully converted weighted average number of shares ('000) *	95 454	95 289
Earnings per share (diluted) (cents)	273	39

* The number of shares has been adjusted for the effect of the dilutive potential ordinary shares relating to the unexercised options in the group's share option scheme.

Headline earnings per share is arrived at as follows:		
Profit for the year attributable to owners of Bell Equipment Limited (R'000)	260 209	37 472
Net surplus on disposal of property, plant and equipment and intangible assets (R'000)	(3 038)	(26)
Taxation effect of net surplus on disposal of property, plant and equipment and intangible assets (R'000)	237	7
Impairment loss recognised on revaluation of buildings (R'000)	2 597	-
Taxation effect of impairment loss recognised on revaluation of buildings (R'000)	(909)	-
Impairment loss in respect of property, plant and equipment rental assets (R'000) (restated**)	-	8 262
Reversal of impairment loss in respect of property, plant and equipment rental assets (R'000)	(1 942)	-
Headline earnings (R'000)	257 154	45 715
Weighted average number of ordinary shares in issue ('000)	95 307	95 159
Headline earnings per share (basic) (cents) (restated**)	270	48
Diluted headline earnings per share is arrived at as follows:		
Headline earnings calculated above (R'000) (restated**)	257 154	45 715
Fully converted weighted average number of shares ('000)	95 454	95 289
Headline earnings per share (diluted) (cents) (restated**)	269	48

** Refer to restatement of December 2016 headline earnings per share in note 11.

Net asset value per share is arrived at as follows:		
Total capital and reserves (R'000)	2 988 602	2 758 247
Number of shares in issue ('000)	95 307	95 297
Net asset value per share (cents)	3 136	2 894

5 STATED CAPITAL

Authorised		
100 000 000 (2016: 100 000 000) ordinary shares of no par value		
Issued		
95 306 885 (2016: 95 296 885) ordinary shares of no par value	232 244	232 139

The increase in issued share capital relates to 10 000 (2016: 150 000) share options exercised at an average share price of R10,48 per share.

6 CAPITAL EXPENDITURE COMMITMENTS

Contracted	60 089	13 228
Authorised, but not contracted	282 774	88 508
Total capital expenditure commitments	342 863	101 736

7 SUMMARISED SEGMENTAL ANALYSIS

R'000	Revenue	Operating profit (loss)	Assets	Liabilities
December 2017				
South African sales operation	2 991 387	159 513	1 516 718	1 369 180
South African manufacturing and logistics operation	4 376 792	223 581	3 408 012	1 795 870
European operation	2 324 683	84 913	1 010 515	587 383
Rest of Africa operation	618 845	(70 000)	421 968	405 072
North American operation	1 151 199	49 980	233 896	170 066
All other operations	-	(83 267)	2 040 945	113 310
Inter-segmental eliminations *	(4 696 320)	68 526	(3 274 440)	(2 071 869)
Total	6 766 586	433 246	5 357 614	2 369 012
December 2016				
South African sales operation	2 731 470	115 347	1 093 956	699 513
South African manufacturing and logistics operation	3 334 624	80 506	2 858 072	1 278 889
European operation	2 180 950	60 801	1 074 298	694 993
Rest of Africa operation	799 706	(185 805)	624 312	511 340
North American operation	665 612	49 810	266 720	198 098
All other operations	-	(163 390)	1 117 089	239 591
Inter-segmental eliminations	(3 710 021)	190 979	(2 527 499)	(1 873 723)
Total	6 002 341	148 248	4 506 948	1 748 701

* Inter-segmental eliminations above relate to the following:
i) Revenue - the elimination of intra-group sales transactions, mainly sales from the South African manufacturing and logistics operation, to the distribution operations.
ii) Operating profit (loss) - the elimination of profit (loss) on intra-group transactions, mainly sales transactions from the South African manufacturing and logistics operation to the distribution operations, where the inventory has not yet been on-sold by the distribution operations to a third party at year-end.
iii) Assets and liabilities - the intra-group transactions result in intra-group receivables and payables balances and furthermore intra-group loans are in place between certain group operations. These are eliminated on consolidation.

R'000	31 December 2017	31 December 2016
8 CONTINGENT LIABILITIES		
8.1 The group has assisted customers with the financing of equipment purchased through a financing venture with WesBank, a division of FirstRand Bank Limited. In respect of the different categories of financing provided by WesBank, the group carries certain credit risks. These are considered to be financial guarantee contracts.		
The group is liable for all credit risks and therefore the full balance due to WesBank by default customers with regard to Bell-backed deals and a portion of the credit risk and a portion of the balance due to WesBank by default customers with regard to Bell-shared risk deals. In terms of the Bell-shared risk deals the group's exposure is calculated as a percentage of the net selling price of the equipment.		
At year-end the group's credit risk exposure to WesBank under Bell-backed deals for which the group carries all the credit risk totalled	176 091	144 688
At year-end the group's credit risk exposure to WesBank under Bell-shared risk deals for which the group carries a portion of the credit risk totalled	1 872	2 682
In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liabilities	228 782	249 936
	(50 819)	(102 566)
Less: impairment of cash collateral	(1 549)	-
Net contingent liability	-	-
The group has entered into similar shared risk arrangements with various other institutions. These arrangements are first-loss undertakings and the group's exposure remains fixed until the capital is repaid. These are considered to be financial guarantee contracts.		
At year-end the group's credit risk exposure to these financial institutions totalled	6 123	3 146
In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liability	7 935	1 413
	(1 812)	1 733
Less: provision for non-recovery	-	(1 797)
Net contingent liability	-	-
Where customers are in arrears with these financial institutions and there is a shortfall between the estimated realisation values of equipment and the balances due by the customers to these financial institutions, an assessment of any additional security is done and a provision for any residual credit risk is made on a deal-by-deal basis.		
8.2 The residual values of certain equipment sold to financial institutions have been guaranteed by the group. The group's exposure is limited to the difference between the group's guaranteed amount and the financial institution's predetermined estimate.		
In the event of a residual value shortfall on this equipment, the group would be exposed to a maximum amount of	41 952	8 469
Net contingent liability	41 952	8 469
The transactions described in note 8.2 above relate to sales transactions to financial institutions which lease the equipment to customers for an agreed lease term. In certain cases, the group has a remarketing agreement with the institution for the disposal of the equipment returned after the lease term, but in all instances the group's risk is limited to the residual value risk described above.		
9 RELATED PARTY TRANSACTIONS		
Information regarding significant transactions with related parties is presented below. Transactions are carried out on an arms length basis.		
Shareholders		
John Deere Construction and Forestry Company		
- sales	22 101	17 302
- purchases	594 738	392 769
- amounts owing to	136 858	57 020
- amounts owing by	5 144	3 664
Enterprises over which directors and shareholders are able to exercise significant influence and/or in which directors and shareholders have a beneficial interest		
Ario Properties Limited		
- property purchase commitment	51 537	-

10 FINANCIAL INSTRUMENTS
Categories of financial instruments included in the statement of financial position:

- Loans and receivables at amortised cost comprising interest-bearing long-term receivables, trade and other receivables and cash and bank balances.
The directors consider that the carrying amount of loans and receivables at amortised cost approximates their fair value.

- Financial liabilities at amortised cost comprising interest-bearing liabilities, trade and other payables and bank overdrafts and borrowings on call.
The directors consider that the carrying amount of financial liabilities at amortised cost approximates their fair value.

- Financial assets and liabilities carried at fair value through profit or loss include forward foreign exchange contracts and fair value is determined based on a Level 2 fair value measurement. Level 2 fair value measurements are those derived from inputs other than quoted prices. The fair value of these contracts is based on observable forward exchange rates at year-end from an independent provider of financial market data.

- Available for sale financial asset comprising an unlisted equity investment at cost for which a reliable fair value could not be determined.

11 PRIOR PERIOD RESTATEMENT

Restatement relating to the calculation of the December 2016 headline earnings per share
During the JSE proactive monitoring process it was identified that the impairment loss recognised in respect of the group's property, plant and equipment rental assets had not been added back in the calculation of headline earnings per share in the December 2016 results.
This calculation error has been corrected and the impact on the group's December 2016 headline earnings per share is as follows:

	As previously reported	Adjustment	Restated
Headline earnings per share (basic) (cents)			
Headline earnings per share is arrived at as follows:			
Profit for the year attributable to owners of Bell Equipment Limited (R'000)	37 472	-	37 472
Net surplus on disposal of property, plant and equipment and intangible assets (R'000)	(26)	-	(26)
Taxation effect of net surplus on disposal of property, plant and equipment and intangible assets (R'000)	7	-	7
Impairment loss in respect of property, plant and equipment rental assets (R'000)	-	8 262	8 262
Headline earnings (R'000)	37 453	8 262	45 715
Weighted average number of ordinary shares in issue during the period ('000)	95 159	95 159	95 159
Headline earnings per share (basic) (cents)	39	9	48
Headline earnings per share (diluted) (cents)			
Headline earnings as recalculated above (R000)	37 453	8 262	45 715
Fully converted weighted average number of shares ('000)	95 289	95 289	95 289
Headline earnings per share (diluted) (cents)	39	9	48

12 SUBSEQUENT EVENTS

No fact or circumstance material to the appreciation of this report has occurred between 31 December 2017 and the date of this report.

13 INDEPENDENT AUDITOR'S REPORT

These summarised consolidated financial statements for the year ended 31 December 2017 have been audited by Deloitte & Touche, who expressed an unmodified opinion thereon.
The auditor also expressed an unmodified opinion on the consolidated financial statements from which these summarised consolidated financial statements were derived.

A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report on the consolidated financial statements are available for inspection at the company's registered office, together with the consolidated financial statements.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Any reference to future financial performance, included in this announcement, has not been reviewed or reported on by the company's auditors.

14 CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a gross final cash dividend of 25 cents per ordinary share for the year ended 31 December 2017, payable to ordinary shareholders in accordance with the timetable below.

The net final dividend is 20 cents per share for ordinary shareholders who are not exempt from dividends tax. The dividend withholding tax rate is 20 per cent.

The dividend has been declared from income reserves.

The company's income tax reference number is 9022169206.

The issued share capital at the declaration date is 95 306 885 ordinary shares.

The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 3 April 2018
Shares commence trading "ex" dividend	Wednesday, 4 April 2018
Record date	Friday, 6 April 2018
Payment date	Monday, 9 April 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 April and Friday, 6 April 2018, both days inclusive.

By order of the board
14 March 2018

Directors
Non-executive
JR Barton* (Chairman), AJ Bell, DH Lawrance*,
HR van der Merwe*, ME Ramathe*, R Naidu*
*Independent
Appointed: R Naidu and ME Ramathe were appointed as directors
on 20 March 2017.
Retired: TO Tsukudu retired on 21 August 2017.
Resignation: B Harie resigned on 27 November 2017.
Executive
GW Bell (Group Chief Executive), A Goordeen (Alternate),
L Goosen (Chief Executive Designate), KJ van Haght (Group Finance Director)
Appointed: A Goordeen was appointed as alternate director
on 27 November 2017.

Company Secretary
D McIlrath

Registered Office
13 - 19 Carbonode Cell Road, Alton, Richards Bay,
3900

Transfer Secretaries
Link Market Services South Africa Proprietary Ltd,
19 Ameshoff Street, Johannesburg, 2001

Sponsor
Investec Bank Ltd
100 Grayston Drive, Sandown, Sandton, 2196

Release date: 16 March 2018

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