

SPANJAARD LIMITED > ANOTHER RECORD YEAR



SPANJAARD

Spanjaard Limited (Incorporated in the Republic of South Africa)
Registration number: 1960/004393/06 Share code: SPA ISIN: ZAE00006938

CONDENSED GROUP AUDITED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2009

CONDENSED CONSOLIDATED INCOME STATEMENT

	Year ended 28 February 2009 R'000	Year ended 29 February 2008 R'000
Revenue	98 278	85 415
Turnover	97 216	84 457
Cost of sales	61 159	53 208
Gross profit	36 057	31 249
Operating expenses	26 144	24 982
Depreciation and amortisation	1 797	1 536
Profit from operations	8 116	4 731
Net finance income	447	273
Profit before tax	8 563	5 004
Income tax expense	(3 095)	(1 656)
Net profit	5 468	3 348
Earnings per ordinary share		
– basic and diluted (cents)	67,1	45,2
Dividend declared per ordinary share (cents)		
– interim	15,0	5,0
– final	70,0	10,0

CONDENSED CONSOLIDATED BALANCE SHEET

	28 February 2009 R'000	29 February 2008 R'000
Assets		
<i>Non-current assets</i>	19 049	18 239
Property, plant and equipment	18 607	18 052
Goodwill	437	–
Deferred tax asset	–	187
Intangibles	5	–
<i>Current assets</i>	45 098	34 614
Total assets	64 147	52 853
Equity and liabilities		
<i>Shareholders' equity</i>	31 842	33 294
Ordinary shares and premium	6 871	6 871
Reserves	24 971	26 423
Retained earnings	15 561	16 301
Foreign currency translation reserve	101	100
Revaluation reserve	9 309	10 022
<i>Non-current liabilities</i>	5 176	4 760
Borrowings	1 968	950
Deferred tax liabilities	3 208	3 810
<i>Current liabilities</i>	27 129	14 799
Interest bearing	402	277
Non-interest bearing	26 727	14 522
Total equity and liabilities	64 147	52 853
Number of ordinary shares in issue ('000)	8 143	8 143
Net asset value per share (cents)	391,7	408,9

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Year ended 28 February 2009 R'000	Year ended 29 February 2008 R'000
Cash flows from operating activities	157	7 037
Cash flows from investing activities	(2 449)	(1 289)
Cash flows from financing activities	1 451	4 963
Net (decrease)/increase in cash and cash equivalents	(841)	10 711
Cash and cash equivalents at beginning of year	12 411	1 700
Cash and cash equivalents at end of year	11 570	12 411

CONDENSED SEGMENTAL PROFITS FROM OPERATIONS

	Year ended 28 February 2009 R'000	Year ended 29 February 2008 R'000
<i>Segment sales</i>		
Lubricants	70 436	60 009
Metal powders	21 803	22 640
Other	4 977	1 808
	97 216	84 457
<i>Segment result</i>		
Lubricants	5 960	2 044
Metal powders	2 048	2 636
Other	108	51
	8 116	4 731

CONDENSED SUPPLEMENTARY INFORMATION

	Year ended 28 February 2009 R'000	Year ended 29 February 2008 R'000
Capital expenditure	2 452	1 396
Capital commitments	–	–

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 28 February 2009 R'000	Year ended 29 February 2008 R'000
Ordinary shares	407	407
Share premium	6 464	6 464
Reserves	24 971	26 423
Retained earnings at beginning of year	16 301	14 052
Foreign currency translation reserve	101	100
Net profit for the year	5 468	3 348
Revaluation reserve	9 309	10 022
Realisation of reserve	713	–
Ordinary dividend	(6 921)	(1 099)
Total shareholders' equity	31 842	33 294

CONDENSED RECONCILIATION OF HEADLINE EARNINGS

	Year ended 28 February 2009 R'000	Year ended 29 February 2008 R'000
Net profit attributable to shareholders	5 468	3 348
Profit/(loss) on disposal of property, plant and equipment	8	(50)
Total tax effect of adjustments	–	–
Headline earnings	5 476	3 298
Weighted average number of ordinary shares in issue ('000)	8 143	7 410
Headline earnings per ordinary share – basic and diluted (cents)	67,2	44,5

BASIS OF PREPARATION

The audited condensed consolidated Group financial statements for the year ended 28 February 2009 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and in compliance with the Companies Act of South Africa, 1973. The audited condensed consolidated Group financial statements are prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, financial assets and financial liabilities held-for-trading. These audited condensed consolidated Group financial statements should be read in conjunction with the audited annual financial statements for the year ended 28 February 2009.

The same accounting policies and methods of computation are followed in the Condensed Group Audited Results as compared with the most recent annual financial statements.

COMMENTARY

HIGHLIGHTS

- Group revenue is up by 16% from R84,5 million to R97,3 million.
- Net profit margins are up from 4% to 6%.
- Headline earnings have increased by 66%.
- Earnings per share have increased from 45,2 cents to 67,1 cents per share.

GENERAL REVIEW

We are pleased to announce an extraordinary performance for the year under review, delivering another record profit before tax of R8,6 million, an increase of 72% on last year's R5 million.

Management continues to focus on cost efficiency, product profitability and the managing of working capital, which, together with a competent and motivated management team, will increase profitability to shareholders.

Our Research and Development work has enabled the launching of several products into the lubricants market and new innovative aerosol products to be launched in the new financial year.

We have spent R2,5 million on capital improvements including the acquisition of new production lines and the upgrading of computer equipment.

There have been no material related party transactions during the financial year.

ACQUISITION OF SPANJAARD EU BV

On 1 March 2008 Spanjaard EU BV ("BV"), a company incorporated in The Netherlands, was acquired as a wholly owned subsidiary of Spanjaard Limited at a purchase price of R1,00. Management is of the opinion that the carrying amount approximated the fair value of the assets and liabilities of EU BV purchased at acquisition. There were no contingent liabilities at that date.

The carrying amount of assets immediately before acquisition was R1 518 000, and liabilities was R1 955 000 resulting in goodwill of R437 000 being recognised.

The Board of Directors approved the acquisition of Spanjaard EU BV because the company forms an integral part of the operating activities in Europe and holds future growth prospects. Spanjaard EU BV contributed R5,7 million to revenue and R157 000 to profit before tax of the Group.

SEGMENTAL ANALYSIS

The lubricants division turnover increased by 18% leading to an increase in EBIT of 192% to R5,9 million. This was brought about by better management of working capital and strict control over costs.

The "other" division includes turnover and EBIT resulting from the acquisition of Spanjaard EU BV (Netherlands) on 1 March 2008. Spanjaard EU BV contributed 4% to Group turnover and 3% to Group net profit after tax.

DIVIDEND

Interim dividend (No. 16) of 15 cents per ordinary share was declared on 29 September 2008. The total actual dividends paid during the financial year amounted to R1 187 428.

Final dividend (No. 17) of 70 cents per ordinary share was declared on 27 February 2009, payable to all shareholders of Spanjaard Limited recorded in the books of the company at the close of business on Friday, 15 May 2009. The last day to trade cum dividend is Friday, 8 May 2009. Shares will commence trading ex dividend from Monday, 11 May 2009. The dividend is payable on Monday, 18 May 2009. Share certificates may not be dematerialised or rematerialised between Monday, 11 May 2009 and Friday, 15 May 2009, both days inclusive. Dividend tax resulting from the final declaration amounts to R570 000.

AUDIT OPINION

Mazars Moores Rowland have audited the annual financial statements (and Group annual financial statements) for the year ended 28 February 2009 and their unqualified audit report, together with their audit report on these condensed financial statements, is available for inspection at the company's registered office.

By order of the Board

ML Bond – Company Secretary
5 May 2009

Directors: R.J.W. Spanjaard (Executive Chairman), CA Gordon-Bennett (Managing Director), MA Barnes* GF Cort, BL Montgomery*, CKT Palmer, ARJ Spanjaard*, Dr DP van der Nest* *Non-executive

Registered Office: 748 – 750 Fifth Street, Wynberg, Sandton, 2090

Transfer Secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

E-mail: info@spanjaardltd.com Website: www.spanjaardltd.com

SABS
ISO 9001

