

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

R'000	Year ended 28 February 2021 Audited	Year ended 29 February 2020 Audited
Revenue	136 755	123 731
Cost of sales	(84 871)	(77 554)
Gross profit	51 884	46 177
Other income	74	175
Distribution costs	(12 178)	(11 792)
Administrative expenses	(33 302)	(32 614)
Finance costs	(632)	(852)
Profit before tax	5 846	1 094
Taxation	(1 244)	1 031
Profit for the year	4 602	2 125
Other comprehensive income / (loss)		
Items that may be subsequently reclassified to profit or loss		
Movement in foreign currency translation reserve	53	65
Items that will not be reclassified to profit or loss		
Revaluation on property, plant and equipment	218	1 119
Tax on revaluation on property, plant and equipment	(61)	(313)
Total comprehensive income for the year attributable to ordinary shareholders	4 812	2 996
Earnings and diluted earnings per ordinary share (cents)	56.5	26.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Year ended 28 February 2021 Audited	Year ended 29 February 2020 Audited
Assets		
Non-current assets	34 971	34 888
Property, plant and equipment	27 981	27 940
Right of Use Assets	5 045	4 601
Intangibles	1 508	1 910
Goodwill	437	437
Current assets	40 531	36 548
Inventories	20 785	18 652
Trade receivables and other receivables	19 092	16 435
Cash and cash equivalents	540	1 461
Amount due by subsidiaries and related companies	114	–
Total assets	75 502	71 436
Liabilities		
Non-Current Liabilities	7 061	7 095
Deferred tax liabilities	4 851	4 878
Borrowings	2 210	2 217
Current Liabilities	16 333	16 888
Trade and other payables	9 686	10 217
Bank overdraft	2 061	4 474
Borrowings	1 334	1 375
Employee Benefits	3 252	822
Total Liabilities	23 394	23 983
Net Assets	52 108	47 453
Equity		
Capital and reserves attributable to the company's equity holders		
Ordinary shares and premium	6 871	6 871
Reserves	45 237	40 582
Total Equity	52 108	47 453

DIVIDENDS

	As at 28 February 2021 Audited	As at 29 February 2020 Audited
Dividend declared per ordinary share (cents)		
– interim	0.0	0.0
– final	0.0	0.0

CONSOLIDATED STATEMENT OF CASH FLOW

R'000	Year ended 28 February 2021 Audited	Year ended 29 February 2020 Audited
Cash flows from operating activities		
Cash receipts from customers	135 030	122 989
Cash paid to suppliers and employees	(128 594)	(116 465)
Cash generated from operations	6 436	6 524
Interest paid	(632)	(852)
Interest received	1	4
Tax paid	(1 482)	–
Net cash generated from operating activities	4 322	5 672
Cash flows from investing activities		
Purchases of property, plant and equipment	(835)	(347)
Purchases Right of use assets	(466)	–
Proceeds on sale of property, plant and equipment	177	–
Purchases of intangible assets	(95)	(873)
Net cash used in investing activities	(1,219)	(1 220)
Cash flows from financing activities		
Repayment of lease liability	(1 524)	(1 147)
Net cash used in financing activities	(1,524)	(1 147)
Net increase in cash and cash equivalents	1 579	3 305
Cash and cash equivalents at beginning of year	(3 013)	(6 242)
Effects of exchange rate changes on cash and cash equivalents	(87)	(76)
Cash and cash equivalents at end of year	(1 521)	(3 013)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	As at 28 February 2021 Audited	As at 29 February 2020 Audited
Ordinary shares	407	407
Share premium	6 464	6 464
Foreign currency translation reserve	178	125
Opening balance	125	60
Net movement for the year	53	65
Revaluation reserve	8 370	8 397
Opening balance	8 397	7 497
Revaluation	157	806
Transfer to retained earnings	(184)	94
Retained earnings	36 689	32 060
Opening balance	32 060	29 873
Profit from continuing operations	4 602	2 125
Revaluation	(157)	156
Transfer from revaluation reserve	184	(94)
Total shareholders' equity	52 108	47 453

SUPPLEMENTARY INFORMATION

R'000	Year ended 28 February 2021 Audited	Year ended 29 February 2020 Audited
Capital expenditure	2 872	2 709

Capital expenditure for the financial year included purchasing of a new gasser R1 473 000; building of a flammable store for R453 000, purchasing of a new vehicle at R469 000, various new computer hardware totalling R211 000, renewal of trademarks and purchase of canteen equipment totalling R266 000.

RELATED PARTY TRANSACTIONS

	Year ended 28 February 2021	Year ended 29 February 2020
R'000	Audited	Audited
Transactions with subsidiaries		
Management fees charged to subsidiary	840	840
Operating lease charged from subsidiary	(2 400)	(2 400)
Purchases from Subsidiary	(896)	(65)
Sales to subsidiary	3 531	3 384
Royalties paid to Spanjaard Group Ltd	(179)	–
Transactions with Spanjaard Group Ltd	114	–

RECONCILIATION OF HEADLINE EARNINGS

	Year ended 28 February 2021	Year ended 29 February 2020
R'000	Audited	Audited
Continuing operations		
Profit attributable to shareholders	4 602	2 125
(Profit) / loss on disposal of property, plant and equipment	(7)	154
Income tax effect on disposal	2	(43)
Headline earnings	4 597	2 236
Weighted average number of ordinary shares in issue ('000)	8 143	8 143
Headline earnings per ordinary share – basic and diluted (cents)	56.5	27.5

SEGMENT REPORTING

R'000	Automotive	Industrial	Exports	Consumer goods	Head office Manufacturing and other	Total
2021						
Sales	33 076	47 272	24 239	31 965	203	136 755
Cost of Sales	(17 510)	(24 526)	(9 098)	(24 861)	(8 876)	(84 871)
Gross profit / (loss)	15 566	22 746	15 141	7 104	(8 673)	51 884
Other income	–	–	–	–	74	74
Distribution costs	(2 528)	(3 262)	(4 355)	(13)	(2 020)	(12 178)
Administrative expenses	(4 576)	(3 948)	(1 678)	–	(23 100)	(33 302)
Finance income / (costs)	–	–	–	–	(632)	(632)
Profit / (loss) before tax	8 462	15 536	9 108	7 091	(34 351)	5 846
Taxation	–	–	(82)	–	(1 162)	(1 244)
Profit / (loss) for the year	8 462	15 536	9 026	7 091	(35 513)	4 602

R'000	Automotive	Industrial	Exports	Consumer goods	Head office Manufacturing and other	Total
2020						
Sales	31 651	46 738	20 560	24 666	116	123 731
Cost of Sales	(17 714)	(23 671)	(8 951)	(19 846)	(7 372)	(77 554)
Gross profit / (loss)	13 937	23 067	11 609	4 820	(7 256)	46 177
Other income	–	–	–	–	(339)	(339)
Distribution costs	(2 540)	(3 199)	(4 097)	(29)	(1 927)	(11 792)
Administrative expenses	(5 149)	(4 996)	(891)	–	(21 064)	(32 100)
Finance income / (costs)	–	–	–	–	(852)	(852)
Profit / (loss) before tax	6 248	14 872	6 621	4 791	(31 438)	1 094
Taxation	–	–	(227)	–	1 258	1 031
Profit / (Loss) for the year	6 248	14 872	6 394	4 791	(30 180)	2 125

Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The Director's Responsibility Statement

The Directors of Spanjaard ("the Board") take full responsibility for the preparation of the report. The financial information has been correctly extracted from the underlying Annual Financial Statements.

The annual financial statement, from which this report is extracted, were audited in terms of the Companies Act, 71 of 2008.

The audited summary consolidated financial statements have been prepared in accordance with IAS 34.

The audited summary consolidated financial statements were prepared by: Financial Director S Vassan Makan - CA(SA) published on 31 May 2021.

Audit opinion

These summary consolidated financial statements for the year ended 28 February 2021 have been audited by Nexia SAB&T, who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports.

**Notice of annual general meeting and publication
of annual report**

Shareholders are advised that:

- the Annual General Meeting of the Company ("the AGM") will be held at 12:00 on Friday, 23 July 2021 at The Inanda Club, Forrest Road and Sixth Avenue, Inanda, Johannesburg;
- the annual report, incorporating a notice convening the AGM, will be available at the registered office of the Company and on the Company's website at www.spanjaard.biz.

Commentary

Dear Shareholder

2020 proved to be a challenging year across the globe as a result of the Covid-19 pandemic having had a significant impact on countries, economies and businesses internationally. Many countries across the Globe initiated lockdowns in order to prevent the spread of the virus. South Africa was not spared and declared a National Disaster followed by a hard lockdown at the end of March 2020. The National Disaster remains although lockdown levels have gradually reduced over the year. The resultant lockdown combined with the continued economic difficulties experienced such as: ratings agencies moving South Africa to sub-investment grade and higher unemployment rates, made trading very difficult in the reported financial year.

Despite the challenging conditions, the Group managed to increase revenue by 10,5% from R123,73 million in the prior year to R136,76 million. This is attributable to large increases in our consumer goods segment and exports division.

The gross profit increased by 12,4% in line with the revenue increase and as a result of operating expenses being maintained by applying strict controls with respect to the approval of spend. Other income was negatively affected due to lower profit on foreign exchange. Finance costs decreased in line with the reduction in the overdraft and interest rates year on year.

The Consumer goods sales increased by 29,6% to R31,97 million (2020: R24,67 million), largely attributable to increased demand for food products as consumers were bound to prepare food at their homes as a result of the lockdown.

Our Export segment experienced an increase in sales of 17,9% to R24,24 million (2020: R20,56 million). Exports were prioritised as cash received was immediate versus extended terms with local customers.

Automotive segment sales increased by 4,5% to R33,08 million (2020: R31,65 million). Product sales increased partially attributable to lower new car sales over the year as consumers' disposable income was significantly impacted on as a result of the economic difficulties that faced the Country over the year.

Industrial segment sales were flat year-on-year at R47,27 million (2020: R46,74 million), although many customers were closed during lockdown.

Our cash generated from operations of R6,44 million enabled us to improve our cash position by 50,5% at year end.

There were no acquisitions, disposals or issues of shares during the period under review.

We continued stringent cost management during the year, maintaining our good cash collections and keeping bad debts at low levels. This positive financial performance was aided by our rigorous customer vetting process and supported by the services of Credit Guarantee.

We give our sincere thanks to our employees and management for their unflinching commitment, dedication and resilience over an exceptionally challenging year. We also extend our heartfelt gratitude to our loyal customers and partners for their continued support and a cohesive vision for future growth.

We sincerely appreciate the confidence of our Shareholders and thank them for supporting the efforts of management as we guide Spanjaard forward. For helping us reach greater heights, we give thanks to our financiers and bankers, suppliers and surrounding communities. We look forward to another year of growing the business together.

Finally, we give thanks to our Chairman and Board of Directors for providing their invaluable oversight, wisdom and guidance. The prospects for the group remain sound, off a solid base.

Due to the need to retain working capital the Board has resolved not to declare a dividend.

By order of the Board

M Notrica
Independent Non-executive Chairman



Ms TN Spanjaard
Chief Executive Officer



S Vassan Makan
Financial Director

31 May 2021**Directors:**

M Notrica (Independent Non-executive Chairman)*, Ms TN Spanjaard (Chief Executive Officer), S Vassan Makan CA(SA) (Financial Director), GF Cort, CKT Palmer, HF Kocks* and S Zikalala CA(SA)*

*Independent Non-executive.

Registered office:

748 – 750 Fifth Street, Wynberg, Sandton, 2090

Company Secretary

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Houghton, 2198

Transfer Secretaries:

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

Sponsor:

AcaciaCap Advisors Proprietary Limited
20 Stirrup Lane, Woodmead Office Park, Corner Woodmead Drive and Van
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Auditors

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