

Ccl - Compu-clearing - Reviewed Results For 6 Months Ended 31 December 2009

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Compu-Clearing Outsourcing Limited

Incorporated in the Republic of South Africa

Registration number 1998/015541/06

Share code: CCL & ISIN: ZAE000016564

("Compu-Clearing", "the Company" or "the Group")

REVIEWED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

CONDENSED STATEMENT OF FINANCIAL POSITION

	31 December 2009	31 December 2008	30 June 2009
	Reviewed	Reviewed	Audited
R'000	R'000	R'000	R'000
ASSETS			
Non-current assets	21,000	15,669	20,457
Property, plant and equipment	19,112	14,327	18,333
Intangible asset	1,278	919	1,300
Loans receivable	44	-	-
Deferred taxation asset	566	423	824
Current assets	22,835	28,294	31,864
Inventory	26	69	64
Trade and other receivables	6,503	7,213	6,410
Taxation receivable	-	1,302	217
Cash and cash equivalents	16,306	19,710	25,173
Total assets	43,835	43,963	52,321
EQUITY AND LIABILITIES			
Equity	39,335	39,359	46,251
Share capital and premium	1,839	1,548	1,683
Treasury shares	(396)	(528)	(463)
Distributable reserves	37,892	38,339	45,031
Non-current liabilities	2,504	1,464	2,543
Post retirement medical obligations	1,439	1,303	1,477
Deferred taxation liability	1,065	161	1,066
Current liabilities	1,996	3,140	3,527
Trade and other payables	1,995	2,625	3,314
Income tax payable	1	515	213
Total equity and liabilities	43,835	43,963	52,321
Net asset value per share (cents)	95.3	95.7	112.2

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

		6 months ended			
		31 December	31 December	Year ended	
2009		2009	2008	30 June	
R'000	R'000	% Inc. / (decr) R'000	Reviewed	Reviewed	Audited
Revenue		6	23,781	22,500	45,037
Operating costs			(18,597)	(17,765)	(37,684)
- Distribution			(13,976)	(12,777)	(26,976)
- Administration			(4,139)	(4,809)	(10,112)
- Other			(482)	(179)	(596)
Operating profit		9	5,184	4,735	7,353
Net finance income			789	1,422	2,639
- Finance income			789	1,422	2,644
- Finance expense			-	-	(5)
			5,973	6,157	9,992
Share of losses of equity accounted investees			(113)	-	-
Profit before income tax	(5)		5,860	6,157	9,992
Income tax - normal and deferred			(1,667)	(1,713)	(2,461)
Income tax - STC (secondary tax on companies)			(1,032)	(1,022)	(1,022)
Profit for the period	(8)		3,161	3,422	6,509
Other comprehensive income					
Revaluation of property, plant and equipment			-	-	4,501
Income tax on other comprehensive income			-	-	(918)
Other comprehensive income for the period, net of tax			-	-	3,583
Total comprehensive income for the period			3,161	3,422	10,092
Earnings per share (cents)					
Basic	(8)		7.7	8.4	15.8
Diluted	(8)		7.6	8.3	15.6
Ordinary dividend per share (cents)			25.0	25.0	-

RECONCILIATION OF HEADLINE EARNINGS

Reviewed	Reviewed	Audited	6 months ended		
			31 December 2009	31 December 2008	Year ended 30 June 2009
		% Inc. / (decr)	R'000	R'000	R'000
Profit for the year attributable to ordinary shareholders			3,161	3,422	6,509
Adjusted for :					
Profit on disposal of property, plant and equipment			(6)		
Taxation effect			2		
Loss on disposal of intangible assets			10	10	20
Taxation effect			(3)	(3)	(6)
Headline earnings			3,168	3,429	6,519
Headline earnings per share (cents)	(8)		7.7	8.4	15.9
Diluted headline earnings per share (cents)	(9)		7.6	8.3	15.7
Actual number of shares in issue ('000)			41,271	41,110	41,208
Weighted average number of shares in issue ('000)			41,240	40,901	41,070
Diluted weighted average number of shares in issue ('000)			41,834	41,446	41,606
CONDENSED SEGMENT REPORT					

2009	2008	30 June	6 months ended		
			31 December 2009	31 December 2008	Year ended 30 June 2009
			(Reviewed) R'000	(Reviewed) R'000	(Audited) R'000
		% Inc. / (decr.)			
Software rental revenue	6		18,276	17,241	33,989
Hardware rental revenue	7		5,028	4,706	9,685
Cargowise			-	-	
Other	(14)		477	553	1,363
Total revenue			23,781	22,500	45,037
Segment result - Software			8,662	8,043	16,164
Segment result - Hardware			1,559	1,451	2,045
Segment result - Cargowise			(400)		
Segment result - Other			(4,637)	(4,759)	(10,856)
Total segment result	9		5,184	4,735	7,353
Operating margin			22%	21%	16%

CONDENSED STATEMENT OF CASH FLOW

2009	6 months ended		
	31 December 2009	31 December 2008	Year ended 30 June
	Reviewed R'000	Reviewed R'000	Audited R'000
Profit before income tax	5,973	6,157	9,992
Adjusted for:	812	88	354
Non cash items	1,601	1,510	2,993
Net finance income	(789)	(1,422)	(2,639)
Cash generated by operations	6,785	6,245	10,346
(Decrease) increase in post retirement medical obligations	(38)	(38)	136
(Increase) decrease in working capital	(1,394)	(1,056)	443
Cash generated by operations	5,353	5,151	10,925
Net finance income	789	1,422	2,639
Income tax paid	(2,437)	(2,452)	(2,833)
Dividends paid	(10,323)	(10,221)	(10,221)
Cash (outflow) inflow from operating activities	(6,618)	(6,100)	510
Cash outflow from investing activities	(2,472)	(2,463)	(3,810)
Acquisition of property, plant and equipment to maintain	(2,214)	(2,131)	(2,848)
Acquisition of intangible asset	(101)	(332)	(962)
Increase in loan to associate	(157)	-	-
Cash inflow from financing activities			
Proceeds from the issue of shares and sale of treasury shares	223	495	695
Decrease in cash and cash equivalents	(8,867)	(8,068)	(2,605)
Cash and cash equivalents at the beginning of the period	25,173	27,778	27,778
Cash and cash equivalents at the end of the period	16,306	19,710	25,173

STATEMENT OF CHANGES IN EQUITY

R'000	R'000	R'000	Share capital R'000	Share premium	Treasury shares	Retained earnings
			412	689	(576)	44,480
Balance at 30 June 2008						
Total comprehensive income for the period attributable to equity holders						6,509
Profit for the year						6,509
Surplus on revaluation of land and buildings					4,501	
Deferred taxation effect of revaluation					(918)	
Share issues			4	441		
Sale of treasury shares				137	113	
Dividends paid						(10,221)
Share-based payment transaction						
Balance at 30 June 2009			416	1,267	(463)	40,768
Total comprehensive income for the period attributable to equity holders					3,161	
Transfer from revaluation surplus					16	
Sale of treasury shares			123	67		
Share issues			1	32		
Dividends paid						(10,323)
Share-based payment transaction						
Balance at 31 December 2009			417	1,422	(396)	33,622

STATEMENT OF CHANGES IN EQUITY (cont.)

	Revaluation reserve	Share-based payment	Total
	R'000	R'000	R'000
Balance at 30 June 2008	-	682	45,687
Total comprehensive income for the period attributable to equity holders	3,583		10,092
Profit for the year			6,509
Surplus on revaluation of land and buildings	4,501		
Deferred taxation effect of revaluation	(918)		
Share issues			445
Sale of treasury shares			250
Dividends paid			(10,221)
Share-based payment transaction		(2)	(2)
Balance at 30 June 2009	3,583	680	46,251
Total comprehensive income for the period attributable to equity holders			3,161
Transfer from revaluation surplus	(16)		
Sale of treasury shares			190
Share issues			33
Dividends paid			(10,323)
Share-based payment transaction		23	23
Balance at 31 December 2009	3,567	703	39,335

Commentary

The results for the 6 months ended 31 December 2009 suggest a bottoming out of the decline in import and export volumes. Software rental revenue increased by 6 percent year on year, an improvement on the flat earnings growth for the year ended 30 June 2009. Operating profit has increased by 9 percent and includes R0,4 million of expenses incurred in the running of the newly created Cargowise division, the revenues of which will come on stream during the next financial year. As previously announced, the Group has secured the regional distribution rights for Cargowise, an enterprise cargo management solution that will enable the Group to broaden its revenue base. Response to the product has been enthusiastic and the first implementation will commence in July 2010. The decline in net financial income from R 1,4 million to R0,8 million is a result of a drop in interest rates as well as lower cash holdings precipitated by the payment of a dividend of R10,3 million.

A subsidiary company, Compu-Clearing (Pty) Ltd is a minority investor in Ndlela Travel, a fledgling, black empowered travel agency. Ndlela is treated as an associate company in these reviewed condensed interim financial statements and accounted for on the equity method.

Cash generation continues to be strong and bank balances remain at satisfactory levels after the dividend payment.

Prospects

The company traditionally performs more strongly in the second half and is hopeful of a moderate increase in cargo volumes. As mentioned above, the first Cargowise revenues will be realised in the next financial year. Agreements in principle for additional implementations should result in a positive contribution from the division in the forthcoming year.

Basis of preparation

The condensed interim financial statements have been prepared in accordance with the Listings Requirements of the JSE Limited, the recognition and measurement requirements of International Financial Reporting Standards, the presentation and disclosure requirements of IAS 34 and the Companies Act of South Africa. The accounting policies applied are consistent with those reflected in the financial statements for the year ended 30 June 2009, except for the adoption of the amendments to

- IAS 1 (Revised) - Presentation of financial statements
- IAS 27 (Revised) - Consolidated and separate financial statements
- IFRS2 (Amendment) - Share-based payment
- IFRS3 (Revised) - Business Combinations
- IFRS 8 - Operating segments
- IFRIC 16 - Hedges of a net investment in a foreign operation

The adoption of these revised standards and interpretations have not had a material impact on the reported results. Consequently, no adjustments relating to these amendments have been made to previously reported figures.

The condensed consolidated financial statements have been prepared in accordance with the historic cost convention except for land and buildings which are stated at fair value. The condensed consolidated financial statements are presented in Rand, which is Compu-Clearing's functional and presentation currency.

This interim report should be read in conjunction with the annual financial statements for the year ended 30 June 2009.

Related party transactions

The Group has entered into various transactions with related parties on an arm's length basis and at market rates.

Distributions to shareholders

Compu-Clearing has a policy of paying a dividend at year end. As a result, the company has not declared an interim dividend.

Review report

The Group's auditors KPMG Inc, have reviewed the financial information for the six months ended 31 December 2009. Their unmodified review report is available for inspection at the registered office of the Company.

For and on behalf of the Board

Johannesburg	A. Garber	J. du Preez
8 March 2010	(Chairman)	Chief Executive)
Directors: A. Garber, J. du Preez, A. Katz*, M. Lutrin*, D. Cleasby*, Dr. T. Mogale*, G. McMahon*, C. Efthymiades, M. Acosta-Alarcon.		

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Sponsor

Sasfin Capital
A division of Sasfin Bank Limited
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