

Multispares Holdings Limited

A.C.N. 003 135 680

Half-year Report

31 December 2001

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Multispares Holdings Limited

Corporate Directory

Directors

H R Forsyth
H M O Anderson
G T Lingard
G D H Stewart

Chairman

H R Forsyth

Managing Director

G D H Stewart

Company Secretary

P W Gill

Registered Office

151 Fairfield Road
Guildford NSW 2161

Telephone (02) 9722 2020
Facsimile (02) 9722 2095
E-mail admin@multispares.com.au

Auditors

Arthur Andersen

Bankers

ANZ Banking Group Limited

Solicitors

Blake Dawson Waldron

Share Registry

Computershare Investor Services Pty Ltd

Stock Exchange Listing

Multispares Holdings Limited (ASX code MSG) shares are quoted on the Australian Stock Exchange

Multispares Holdings Limited

Directors' Report

The Board of Directors of Multispares Holdings Limited has pleasure in submitting its report in respect of the half-year ended 31 December 2001.

Directors

The names of directors in office during or since the end of the half year are:

H R Forsyth (Chairman)
H M O Anderson
G T Lingard
G D H Stewart

Unless indicated otherwise, all directors held their position as a director throughout the entire half-year and up to the date of this report.

Principal Activities

The principal activity of the consolidated entity during the financial year was the provision of after market parts to the commercial vehicle industry.

Results

The consolidated profit of the consolidated entity for the half-year was \$178,000 after income tax.

Review of Operations

The consolidated entity's sales revenue for the period increased by 22.3% over the same period last year.

Difficult trading conditions coupled with weakening Australian dollar continue to place pressure on gross margins. Ongoing cost controls have ensured overheads remain within expected levels.

The consolidated net profit after income tax of \$178,000 is an increase of \$56,000 (45.9%) over the corresponding period last year.

Rounding of Amounts

The parent entity is a company of the kind specified in Australian Securities and Investment Commission class order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and Directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of directors.

H R Forsyth
Director

H M O Anderson
Director

Sydney
28 February 2002

Multispares Holdings Limited
Condensed Statement of Financial Position
at 31 December 2001

	Consolidated	
	December	June
	2001	2001
	\$000	\$000
Current Assets		
Cash assets	11	22
Receivables	3,531	3,454
Inventories	8,740	8,018
Other	132	13
Total Current Assets	12,414	11,507
Non-Current Assets		
Property, plant and equipment	1,359	1,345
Deferred tax assets	421	390
Total Non-Current Assets	1,780	1,735
Total Assets	14,194	13,242
Current Liabilities		
Payables	4,473	3,942
Interest bearing liabilities	1,377	1,922
Tax liabilities	71	254
Other provisions	724	643
Total Current Liabilities	6,645	6,761
Non-Current Liabilities		
Interest bearing liabilities	1,005	78
Deferred tax liabilities	62	37
Other provisions	185	262
Total Non-Current Liabilities	1,252	377
Total Liabilities	7,897	7,138
Net Assets	6,297	6,104
Equity		
Contributed equity	4,837	4,837
Reserves	(64)	(79)
Retained profits	1,524	1,346
Total Equity	6,297	6,104

The accompanying notes form an integral part of this Statement of Financial Position.

Multispares Holdings Limited

Condensed Statement of Financial Performance for the Half-year ended 31 December 2001

	Consolidated	
	December 2001 \$000	December 2000 \$000
Sales revenue	12,930	10,572
Cost of sales	<u>(8,344)</u>	<u>(6,433)</u>
Gross profit	4,586	4,139
Other revenues	103	78
Borrowing costs	(104)	(83)
Total other expenses	<u>(4,318)</u>	<u>(3,936)</u>
Profit from ordinary activities before income tax expense	267	198
Income tax expense relating to ordinary activities	<u>(89)</u>	<u>(76)</u>
Profit from ordinary activities after related income tax expense	<u>178</u>	<u>122</u>
Net profit	<u>178</u>	<u>122</u>
Net exchange difference on translation of financial report of self-sustaining foreign operations	<u>15</u>	<u>13</u>
Total changes in equity other than those resulting from transactions with owners as owners	<u>193</u>	<u>135</u>
Basic and diluted earnings per share (cents per share)	<u>0.92</u>	<u>0.63</u>

The accompanying notes form an integral part of this Statement of Financial Performance.

Multispares Holdings Limited
Condensed Statement of Cash Flows
for the Half-year ended 31 December 2001

	Consolidated	
	December 2001 \$000	December 2000 \$000
	Inflows/(Outflows)	
Cash flows from operating activities		
Receipts from customers	14,322	10,760
Payments to suppliers and employees	(13,352)	(9,646)
GST Paid	(699)	(567)
Interest received	-	8
Interest paid	(103)	(82)
Income taxes paid	(277)	-
Net operating cash flows	(109)	473
Cash flows from investing activities		
Payments for property, plant and equipment	(205)	(191)
Proceeds from sale of property, plant and equipment	5	103
Net investing cash flows	(200)	(88)
Cash flows from financing activities		
Proceeds from borrowings	510	250
Repayment of borrowings	(140)	(57)
Dividends paid	(97)	(97)
Net financing cash flows	273	96
Net increase (decrease) in cash held	(36)	481
Cash at the beginning of the financial period	(202)	(163)
Exchange rate variations on foreign cash balances	15	13
Cash at the end of the financial period	(223)	331

The accompanying notes form an integral part of this Statement of Cash Flows.

Multispares Holdings Limited

Notes to the Half-year Financial Statements

Note 1. Basis of Preparation:

These general purpose consolidated financial statements have been prepared for the half-year ended 31 December 2001 in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB1029 – “Interim Financial Reporting” and Urgent Issues Group Consensus Views. It is recommended that this report be read in conjunction with the 30 June 2001 Annual Report and any public announcements made by Multispares Holdings Limited and its controlled entities during the half-year in accordance with the continuous disclosure obligations of the Corporations Act 2001 and the Australian Stock Exchange. The notes to the financial statements do not include all information normally contained within the notes to an annual financial report.

The accounting policies used are consistent with those applied in the 30 June 2001 Annual Report. This financial report has been prepared in accordance with the historical cost convention and do not take account of changes in either the general purchasing power of the dollar or in the prices of specific assets.

	Consolidated	
	December	December
	2001	2000
	\$000	\$000

Note 2. Profit from Ordinary Activities:

Profit from ordinary activities is after crediting the following revenues:

Sales revenue - Sale of Goods	12,930	10,572
Other revenues:		
Interest from other persons	-	8
Rent from other persons	44	31
Other income	59	39
Total other operating revenues	103	78
Total operating revenues	13,033	10,650

Profit from ordinary activities is after charging the following expenses:

Employee benefits expenses	2,484	2,184
Depreciation & amortisation expenses	175	153
Leasing expenses	475	426
Other expenses	1,184	1,173
Total other expenses	4,318	3,936
Borrowing costs	104	83
Total expenses	4,422	4,019

Note 3. Dividends:

Final fully franked dividend of 0.5 cents per share franked at tax rate of 30% (2000:34%)

97	97
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Multispares Holdings Limited

Notes to the Half-year Financial Statements

Note 4. Contingent Liabilities:

There has been no change in contingent liabilities since the last annual reporting date.

Note 5. Segment Information:

Business segments

The consolidated entity operates predominantly in one business segment being the provision of after market parts for the commercial vehicle market.

Geographical segments

	Revenue from customers outside the economic entity \$000	Intersegment revenue \$000	Total revenue \$000	Segment results \$000	Segment assets \$000
31 December 2001					
Australia	10,781	592	11,373	194	12,687
New Zealand	2,149	27	2,176	72	1,507
Eliminations	-	(619)	(619)	1	-
Consolidated	12,930	-	12,930	267	14,194
31 December 2000					
Australia	9,181	457	9,638	178	11,181
New Zealand	1,391	9	1,400	30	1,213
Eliminations	-	(466)	(466)	(10)	-
Consolidated	10,572	-	10,572	198	12,394

Multispares Holdings Limited

Directors' Declaration

The director's declare that:

- (a) the financial statements and associated notes comply with the accounting standards and Urgent Issues Group Consensus Views;
- (b) the financial statements and notes give a true and fair view of the financial position as at 31 December 2001 and performance of the consolidated entity for the half-year then ended; and
- (c) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable, and the companies and the parent entity who are party to the deed of cross guarantee, will together be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee dated 5 June 1992.

This statement has been made in accordance with a resolution of directors.

H R Forsyth
Director

H M O Anderson
Director

Sydney
28 February 2002

Multispares Holdings Limited

Independent Review Report

To the Members of Multispares Holdings Limited:

Scope

We have reviewed the financial report of Multispares Holdings Limited for the half-year ended 31 December 2001 as set out on pages 4 to 9. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB1029 "Interim Financial Reporting", other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of the company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multispares Holdings Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2001 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

ARTHUR ANDERSEN
Chartered Accountants

A. P. Davies
Partner
Sydney
28 February 2002