

V B Holdings Limited - 12 months ended 31 December 2008

	Dec-08	Dec-07	Dec-06
PROFIT & LOSS (F\$000)			
Total Operating Revenue	1,634	2,045	1,685
Net Profit/Loss before Tax	196	367	607
Income Tax	(46)	(114)	(189)
Net Profit/Loss after Tax	150	252	418
BALANCE SHEET (F\$000)			
Current Assets	1,051	953	881
Non - Current Assets	5,211	5,861	5,693
Total Assets	6,262	6,814	6,574
Current Liabilities	2,141	2,846	2,419
Non - Current Liabilities	1,087	1,084	1,232
Total Liabilities	3,228	3,930	3,651
Net Assets	3,034	2,884	2,923
Contributed Equity	1,568	1,530	1,530
Reserves	607	607	608
Retained Profits/Loss	859	747	784
Outside Equity Interest	0	0	0
Total Equity	3,034	2,884	2,923
CASHFLOW (F\$000)			
Net cashflow from Operating Activities	250	425	(511)
Net cashflow from Investing Activities	19	16	(37)
Net cashflow from Financing Activities	(170)	(235)	181
Net Increase/(Decrease) in Cash held	99	205	(366)
Cash / (Overdraft) at year end.	14	(85)	(290)

Comments

- Over the year, the Company's profit after tax declined by 40.4% to \$150k for the year ended 31 December 2008 due to decline in the operating revenue as well as other revenues.
- The Fleet Management division recorded a 21% reduction in revenue due to tough market conditions while the Property Management division also showed negative growth of 11% due to the freeze in rent income on commercial properties.

- During the year, a total of 38,208 bonus shares were issued despite the negative growth in the business. The ratio being 1 for every 40 shares held by the shareholder.
- On overall, total Assets decreased attributed to the decrease in its VAT receivables, fixed assets and future income tax benefit. From the financials, it is noted that the company sold off more fixed assets than it acquired during the year.
- The Company managed to reduce its bank overdraft, other creditors and accruals, finance lease borrowing, related companies owing, provisions for income tax and deferred tax liability while deposit held, dividend payable and VAT payables increased.
- Shareholder's Equity increased by \$150k attributed to the increase in Retained Earnings due to the profits reported during the period.
- The Company experienced positive cash at bank balance of \$14k after having overdrafts for the last two consecutive years. Though the cash inflows during the period declined except for proceeds from sale of fixed assets, the Company managed to cut down on its cash outlays.

	Dec-08	Dec-07	Dec-06
PROFITABILITY RATIOS (%)			
ROE	4.95	8.74	14.31
ROA	1.41	7.03	10.22
Net Profit Margin	9.23	12.59	25.31
MARKET PERFORMANCE RATIOS			
Earnings per share (cents)	9.58	16.48	27.33
Price Earnings Ratio (times)	31.32	15.78	9.51
Dividend per share (\$)	0.02	0.12	0.13
Dividend Yield (%)	0.81	4.62	5.00
Net Tangible Asset per share (\$)	1.93	1.88	1.91
Price to Book (times)	1.55	1.38	1.36
Cash flow per share (cents)	15.95	27.79	(33.37)

Profitability

All the three profitability ratios (ROE, ROA & Net Profit Margin) experienced a decline over the years as the operating revenue declined resulting in decline in profits over the years.

Market Performance

The earnings per share (EPS) dropped due to decline in reported profits and it stood at 9.58 cents per share as at December 2008. On the other hand, the price earnings ratio (PER) has increased to 31.32 times. There was a significant decline in dividend per share (DPS) as the Company opted to reward its existing shareholders with bonus shares rather than paying off cash dividends looking at its tight cash flow situation.

Conclusion

Overall, the Company managed to perform well despite the contrary market conditions that resulted in decline in its operating revenue for the year ended December 2008. The share price rose to \$3.00 from \$2.90 in December 2007.