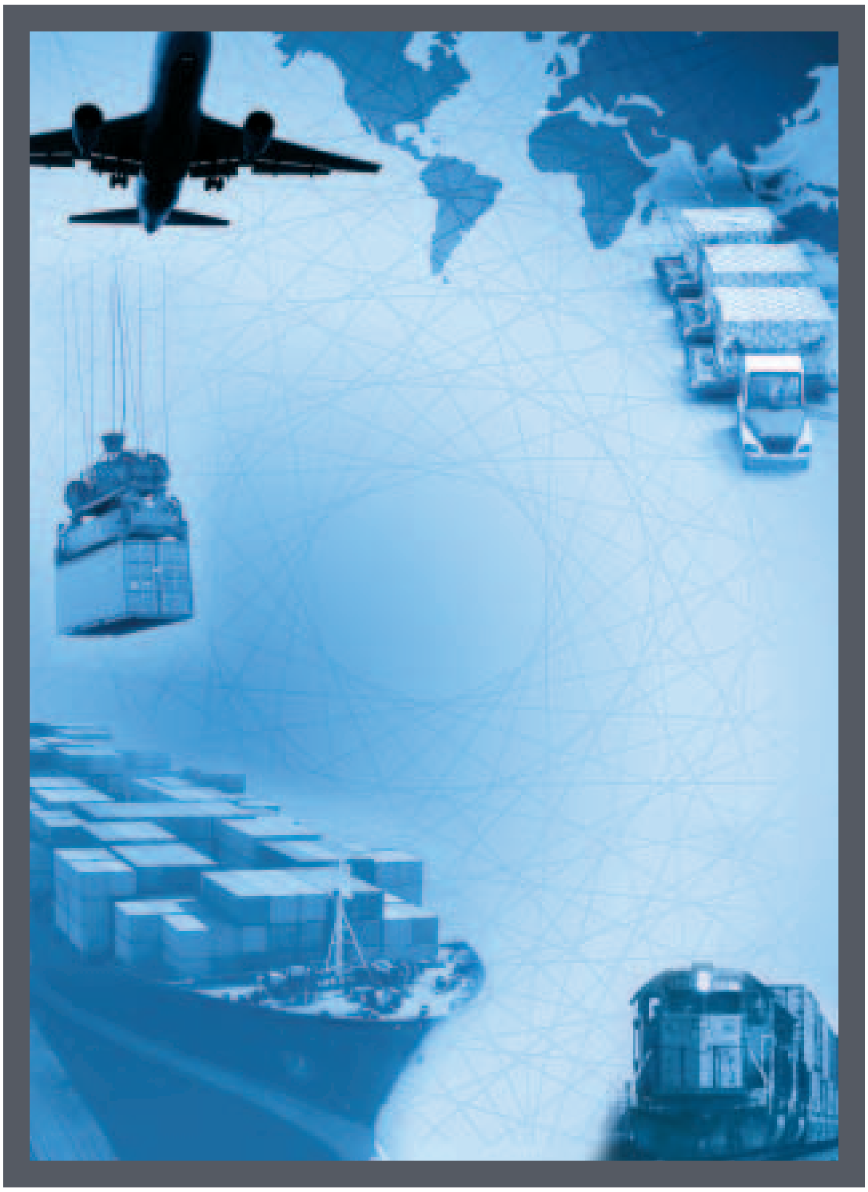
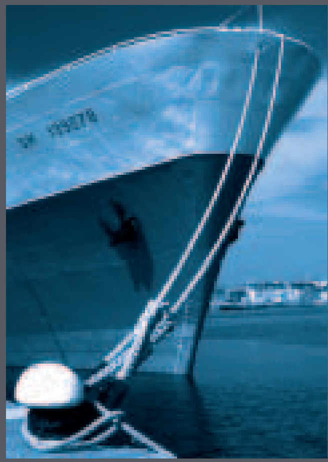
Santova Logistics Ltd



ANNUAL REPORT 2007



CONTENTS

Providing strategic logistics management solutions

Santova Logistics Limited is a JSE-listed company, with own offices throughout South Africa, China and the United Kingdom, as well as strategic partners throughout the world. With more than eighty years' extensive experience in the logistics domain, Santova provides supply chain optimisation solutions to our international and domestic clients, through industry-leading strategic logistics management practices and resources.

There's more to us than just a new name

Together we move the world

GROUP MISSION STATEMENT

To partner our clients with integrity and passion in providing them with intelligent supply chain solutions.

OUR PHILOSOPHY

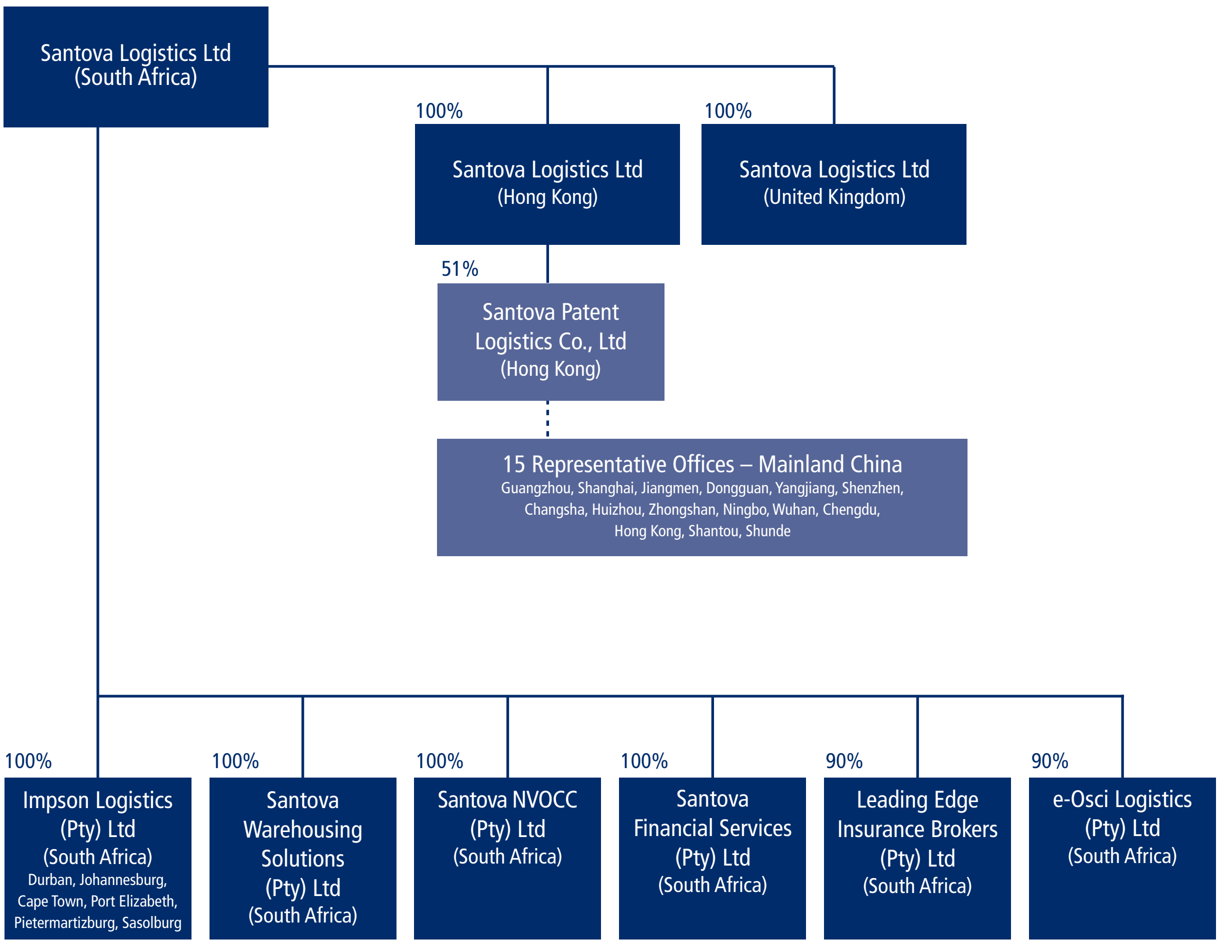
We recognise that our clients' needs are unique and our distinctive client-centric approach is attuned to the constantly changing trends and dynamics in the market place, ensuring flexibility, innovation and delivery on assurances.

Santova
Logistics Ltd

OUR VALUE PROPOSITION: supply chain optimisation

Santova Logistics, in collaboration with its international strategic partners in the supply chain, will provide integrated "end-to-end" logistics solutions that will ensure the seamless flow of products into the market place for importers/exporters and consumers. The open architectural design of OSCAR® enables optimisation of the supply chain management through virtual management at the lowest possible cost whilst retaining high levels of client service.

THE GROUP STRUCTURE



SERVICES: sea, air, road and rail

- Consultation on various relevant legislation, tariff schedules and customs facilities
- Integrated supply chain software packages (OSCAR®)
- Inter-modal transport
- International forwarding and customs clearing
- International marine and general insurance
- Logistics management and supply chain optimisation
- Negotiating, arranging and coordinating freight
    - Bulk and break bulk
    - Full container load (FCL)
    - Groupage
    - Less than container load (LCL)
- Port supervision and wharf inspection services
- Ship chartering
- Ships agency
- Stevedoring
- Trade finance and foreign exchange management
- Warehousing and distribution

DEFINITIONS

The following abbreviations have been used throughout this report:

"the Act"	the Companies Act, Act 61 of 1973, as amended
"AltX"	Alternative Exchange of the JSE Limited
"B-BBEE"	Broad-based Black Economic Empowerment
"DTI"	Department of Trade and Industry
"IFRS"	International Financial Reporting Standards
"Impson"	Impson Logistics (Proprietary) Limited (previously Impson Freight (Proprietary) Limited), a wholly owned subsidiary of the Company
"JSE"	JSE Limited, South Africa's Securities Exchange
"Leading Edge"	Leading Edge Insurance Brokers (Proprietary) Limited, a subsidiary of the Company
"Ltd"	Limited
"m"	Million
"Mogal"	Mogal International Limited (United Kingdom)
"Pty"	Proprietary
"R"	Rand
"SA"	South Africa
"Santova" or "Group"	Santova Logistics Limited and it's subsidiaries
"Santova Logistics" or "the Company"	Santova Logistics Limited (previously Spectrum Shipping Limited)
"The Share Trust"	the Santova Logistics Share Purchase and Option Scheme Trust (previously Spectrum Shipping Share Purchase and Option Scheme Trust)

GROUP FINANCIAL SUMMARY for the period ended 28 February 2007

RESULTS		2007 R	2005 R
Summary			
Gross billings		**1 451 862 144**	552 436 442
Turnover		**77 395 097**	31 009 914
Operating profit before interest and taxation		**17 078 519**	5 702 028
Net profit attributable to ordinary shareholders		**4 072 771**	1 383 406
Net assets		**76 457 485**	31 038 776
Net tangible assets		**10 321 741**	30 773 748
Financial ratios			
Return on average ordinary shareholders’ funds	(%)	**7,6**	4,6
Operating margin	(%)	**22,1**	18,4
Interest cover		**1,60**	1,61
Current ratio		**2,75**	3,41
Return on net assets	(%)	**22,3**	18,4
Return on net tangible assets	(%)	**165,5**	18,5
Ordinary share performance			
Number of ordinary shares in issue at period-end	(shares – 000’s)	**1 122 682**	900 000
Number of ordinary shares excluding treasury shares	(shares – 000’s)	**1 059 377**	849 000
Earnings per share	(cents)	**0,44**	0,16
Headline earnings per share	(cents)	**0,43**	0,16
Diluted earnings per share	(cents)	**0,35**	0,15
Closing share price at period-end	(cents)	**16**	12
Net asset value per share	(cents)	**8,21**	3,66
Net tangible asset value per share	(cents)	**1,11**	3,62
Market capitalisation at period-end			
Ordinary shares	(Rand)	**179 629 198**	108 000 000

DEFINITIONS OF GROUP FINANCIAL SUMMARY

Number of shares and earnings per share
Earnings per share is calculated on income attributable to ordinary shareholders and the weighted average number of ordinary shares issued during the period under review. Headline earnings per share is calculated after adjustment for non-trading items.

Net asset value per share
Ordinary shareholders' funds divided by the weighted average number of ordinary shares in issue during the period under review.

Operating margin
Operating profit before interest and taxation expressed as a percentage of turnover.

Net assets
Total assets less total liabilities.

Net tangible assets
Total assets less total liabilities and intangible assets.

Return on net assets
Operating profit before interest and taxation expressed as a percentage of net assets.

Return on net tangible assets
Operating profit before interest and taxation expressed as a percentage of net tangible assets.

Return on average ordinary shareholders' funds
Income attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' funds.

Interest cover
Operating profit before interest and taxation, divided by net interest paid.

Current ratio
Current assets divided by current liabilities (excluding cash equivalents and short-term borrowings).

Market capitalisation
The share price multiplied by the number of shares outstanding at period-end.

	Audited period-end 28 February 2007 R'000	Audited year-end 31 December 2005 R'000	Audited year-end 31 December 2004 R'000	Audited year-end 31 December 2003 R'000	Audited year-end 31 December 2002 R'000
BALANCE SHEET					
Assets					
Non-current assets	**77 363**	5 724	5 764	5 781	6 804
Current assets	**296 028**	145 369	107 093	99 510	99 035
Total assets	**373 391**	151 093	112 857	105 291	105 839
Liabilities					
Non-current liabilities	**44 462**	2 397	–	25	53
Current liabilities	**252 471**	117 657	83 098	76 136	78 132
Total liabilities	**296 933**	120 054	83 098	76 161	78 185
Shareholders' funds and reserves	**76 458**	31 039	29 759	29 130	27 654
INCOME STATEMENT					
Gross billings	**1 451 862**	552 436	495 701	574 568	628 908
Cost of billings	**(1 374 467)**	(521 427)	(466 552)	(545 837)	(599 583)
Turnover	**77 395**	31 009	29 149	28 731	29 325
Operating profit before interest and taxation	**17 079**	5 702	4 172	4 625	12 037
Net interest paid	**(10 696)**	(3 531)	(3 273)	(2 489)	(4 286)
Profit before taxation	**6 383**	2 171	899	2 136	7 751
Income tax expense	**(2 330)**	(788)	(269)	(660)	(715)
Net profit	**4 053**	1 383	630	1 476	7 036

CHAIRMAN'S REVIEW for the period ended 28 February 2007

The period under review has been a defining period in the history of the Group. In January 2007 shareholders sanctioned the change of name of Spectrum Shipping Limited to Santova Logistics Limited, which was the final step in the metamorphosis of the Group from clearing and forwarding agents into a Group that now offers intelligent door-to-door logistics solutions internationally. The process of change has been under way since the present chief executive officer (CEO), Glen Gerber, joined the company four years ago, and the Group is now poised to move forward as an international player.

The acquisition of Impson Freight (Proprietary) Limited, concluded in August 2006, a company well respected for its 20 years' involvement in the clearing and forwarding industry, has added stability, substance and stature to the Group and the CEO of Santova Logistics and managing director of Impson together with their teams are to be congratulated on the exemplary manner in which the operations of the two companies, which are of similar size, have been integrated. This has been achieved with minimal disruption and no loss of business during what has proved to be an exceptionally busy trading period for both companies.

On the international side, the period has seen the formation of an office in Hong Kong; the flow of business beginning to come through from Santova Logistics Limited (Hong Kong)'s subsidiary company, Santova Patent Logistics Limited, a joint venture with Patent International, which has given the Group a presence in 15 cities in mainland China; and the acquisition in March this year of a respected small clearing and forwarding business in the United Kingdom, Mogal International Limited, which was announced recently.

The subsidiary companies of the Group, set up during the period under review, have now begun to make an impression on the market and the acquisition of Leading Edge Insurance Brokers (Proprietary) Limited in September 2006 has added another dimension to the Group.

Now that the final piece of the integration process of Santova Logistics and Impson has taken place with the move on 23 March 2007 of the head offices and Durban branches of Santova Logistics and Impson into a new building, Santova House, in Point Road (now Mahatma Gandhi Road), Durban, the takeover by Impson of the operations of the Santova Durban Branch can be finalised.

Once the operations side has been finally bedded down, attention will then be given to the other important issues of employment equity, training and B-BBEE status. I am glad to report that the Group already has programmes in place for the training of previously disadvantaged employees and in furthering the education of all employees. Consultants have been engaged to advise and assist the Group to enhance its B-BBEE scorecard. Progress in this and other areas of social responsibility are reported on more fully in the Group Social Responsibility Report.

A stable platform for future growth has now been established and I see the Group growing from strength to strength in the coming months. The groundwork has been done and attention will now be focused on building the supply chain both locally and internationally.

Sifiso Zulu

PRINCE S ZULU
Chairman

REPORT OF THE CHIEF EXECUTIVE OFFICER for the period ended 28 February 2007

The period under review is a significant one in that it constitutes a milestone as far as the achievement of the board's strategic vision for the Group is concerned. Not only were the results encouraging, but we were able to make a number of acquisitions and expand organically into certain logistics-related activities, resulting in the Group's evolution into a Group of companies clearly capable of supporting and sustaining that strategic vision. The culmination of these achievements and the steps taken in prior years to build the supply chain, has seen the emergence of the Group as it exists today, a truly international "end-to-end" supply chain logistics provider.

The name "Spectrum" has always been problematic for the company as there are numerous companies by that name registered in South Africa, Hong Kong and the United States of America. The decision was therefore taken to change the name of the company to Santova Logistics Limited, a name more representative of the activities of the Group. Santova Logistics has become the holding company of the Group, with the subsidiary companies encompassing the various component parts of the supply chain.

PERFORMANCE

Whilst there are challenges that accompany a continually developing business, the period under review has been both an exciting and successful one for the Group. Notwithstanding the fact that levels of export (general goods) have diminished and the Rand/Dollar exchange rate has remained unfavourable, the quality of the Group's earnings has continued to improve through its various operational activities. A significant contributor to this trend has been the ability to "bulk" the volumes of goods now managed to achieve economies of scale and this has resulted in enhanced earnings for the Group.

ACQUISITIONS AND NEW DEVELOPMENTS

Impson Logistics (Pty) Ltd – 24 August 2006

Acknowledging the dynamics of the present day logistics industry, which is driven by innovation, systematic acquisition, integration of capabilities and know-how, the shareholders of Impson and the then Spectrum Shipping boldly made the decision to integrate the core competencies of both organisations. Impson, a highly successful logistics business with offices throughout South Africa, brought with it the infrastructure, skills and expertise that are essential for the success of the Group in moving to the next level of the growth curve. Spectrum brought with it the vision for an expanded international supply chain logistics Group with an international structure already in place and intelligent IT solutions that complemented those within Impson. The merging of the two companies has brought stability and enhanced profitability to the Group as a whole, reducing the adverse effects that seasonal trends have traditionally had on the operating results of the Group. The integration of the customs clearing and forwarding operations of the two companies on a national level has now been achieved and will operate under the name of Impson Logistics (Pty) Ltd in South Africa.

Mogal International Ltd (United Kingdom) – 13 March 2007

To better manage and control the entire supply chain of clients between South Africa, Hong Kong, mainland China and the United Kingdom, the Group established a presence in the United Kingdom by acquiring 100% of the issued share capital of Mogal International Ltd. Based in West Horndon, this 30-year old business is well positioned to service the Group's existing clients, whilst actively participating in the further development of it's capability into the United Kingdom, East Asia and Africa.

Santova Logistics Ltd (Hong Kong) – 6 March 2006

In view of the growing trend for global markets, and particularly South Africa, to become substantial importers of manufactured goods from mainland China, the decision was taken to establish offices in Hong Kong and mainland China. Whilst Santova Logistics Ltd (Hong Kong) is 100% held by Santova Logistics, the 15 representative offices in mainland China constitute a joint venture, through Santova Patent Logistics Co., Ltd, between Santova Logistics Ltd (Hong Kong) and Patent International Logistics (Shenzhen) Co., Ltd. Founded in 1994, Patent International is a Class A forwarding company with no less than 450 employees strategically situated in offices in most ports throughout China. The overriding benefit for our clients is that they can now seek comprehensive supply chain solutions from a single partner who has a thorough understanding of the entire supply chain.

Leading Edge Insurance Brokers (Pty) Ltd – 11 September 2006

To complement our "one stop" value-added logistics solutions supply chain, the acquisition of Leading Edge Insurance Brokers (Pty) Ltd enables the Group to provide "in-house" rather than outsourced international insurance services. Considering the growth in the number of new clients in terms of the quantum of goods shipped and the opening of new offices in the United Kingdom, Hong Kong and China, the opportunity to leverage off this infrastructure and build a marine and general insurance business is an exciting prospect. To date, initiatives are already under way to structure and implement an international capability that will enable the Group to penetrate new offshore markets.

e-OSCI Logistics (Pty) Ltd – 11 April 2006

Recognising the critical role that information technology plays in optimising the efficiency of the supply chain, the Group established e-OSCI Logistics (Pty) Ltd ("Optimised Supply Chain Integration") and acquired all the rights and title to OSCAR® ("Optimised Supply Chain Active Resource" suite of software packages), a registered patent-trademark, from Current Solutions CC.

This has resulted in the Group being able to provide clients with unrivalled electronic tools to manage and optimise their supply chains. This is effected through internet-based "track and trace" visual access capabilities that facilitate real-time information on shipment data, inventory controls and client-specific report generation, enabling efficient communication and control throughout the supply chain. The open architectural design of OSCAR® allows our international offices, agents and clients (the participants in the supply chain) visibility to manage the process collectively and effectively.

The business is well resourced with its own highly qualified IT and logistics specialists who focus on customising solutions to meet client needs. This ability to offer specialist IT support through staff that know and understand logistics processes places Santova in a unique position in the market.

LOOKING FORWARD

The last six months of the financial year have been extremely challenging in that the process of integrating the South African customs clearing and forwarding business (Spectrum-Impson) under Impson has placed an enormous demand on the resources and infrastructure of the Group. This has been compounded by the fact that during the same period the Group has experienced record activity levels, has acquired Leading Edge Insurance Brokers (Pty) Ltd and Mogal International Ltd (United Kingdom), and opened offices in Hong Kong. Nevertheless, despite the strain placed on resources of the Group, the systematic integration of these businesses has been more than encouraging; the process has highlighted the character and ability of our people to accommodate the "change process" and "development" synonymous with our strategy.

What was embarked upon in 2006 must now be "settled down" and the synergies within the broader Group of companies realised. This will involve reviewing the structure, leadership and culture of our organisation in order to provide the fundamental long-term means for institutionalising the Group's strategy so that it permeates the very day-to-day life of the Group.

Fundamental to achieving and sustaining intra-organisational synergy, the Group will focus on the following going forward:

- Integrating, re-engineering and at the same time eliminating any duplication in infrastructure, systems, physical resources and work flow processes.
- Leveraging off highly skilled and experienced people, particularly the management of Impson, who will facilitate the emergence of new strategies through collective acceptance of these new ideas and exploited opportunities – thus improving the Group's competitiveness through a vastly improved learning curve.
- Improving earnings and sales stability, with a view to eliminating the seasonal instability that the Group had experienced historically between the months of January and April each year.
- Acquiring and leveraging off new markets, distribution channels and niched services, effectively supplementing the business portfolios of the businesses with best practice, fast-tracking effective organic growth of the business.
- Attaining critical mass and thereby benefiting from economies of scale to improve the cost efficiency of the Group. This will apply in the main to freight volumes (sea, air, road and rail), marine insurance and warehousing facilities.

Closely aligned to the benefits of "optimised size", the "bulked" or consolidated volume of goods shipped by route will be materially enhanced, which bodes well for our South African offices and those of Hong Kong, mainland China and the United Kingdom, presenting an opportunity for serious growth and development of the international business.

Consistent with our strategy, we will continue to consider opportunities to acquire businesses that are strategic or "value enhancing" to our long-term strategy. Furthermore, there is growing evidence to suggest that whilst competition in the freight forwarding and supply chain logistics industry is intense, it is becoming increasingly difficult to compete if you are a smaller "domestic bound" service provider with limited service offerings. This will no doubt lead to further industry consolidations, thereby opening the door to new opportunities for entrepreneurial players in the industry.

FINANCIAL REVIEW

The change of year-end from December to February, to facilitate year-end formalities in a quieter period of the year, together with the emergence of additional subsidiaries at a variety of dates throughout the period, has made the comparison of our Group results with prior periods difficult to say the least. Add to this the transfer of operational business from Santova Logistics into Impson, effectively transforming Santova Logistics into a "holding company", has made the comparison of our company results with prior periods virtually impossible. Not only have the income statement and cash flow been affected but, with the change of year-end from December to February, our balance sheet looks rather different, not only for the Group but for Santova Logistics as well. This in the main, is the result of our normally high trade month December now being compared to February, a historically lower trade month. Another point to note on the year-end change is that our interim period will now be August as opposed to June of each year, for which comparatives have been prepared.

With the transfer of business into Impson we have lost, for the short-term, the ability to compare vital operational statistics to prior periods, whilst we build comparable data.

REPORT OF THE CHIEF EXECUTIVE OFFICER for the period ended 28 February 2007

Even though the effective date of the acquisitions of Impson, Leading Edge and Mogal was 1 March 2006, we have only been able to incorporate their results from the date of effective transfer of "control" as governed by IFRS and detailed in IFRS 3; in the case of Mogal, this was after the period-end. The full effect of the newly acquired subsidiaries will only be seen in the results through the coming year, with the most significant difference being the strong earnings of Impson during the first quarter of the calendar year, a historically quieter period for Santova Logistics.

The Group has evolved into a larger player in the industry, the effects of which are significantly enhanced funding requirements, which our banking facilities are more than adequate to fulfil. The Group cash and cash equivalents have moved in line with the combined trade receivables; as have gross billings of the entities for the full period, as if Impson had been consolidated from 1 March 2006. Our combined trade receivables have reached R280 million, just over R165 million up on last year and this has seen a corresponding increase in cash and cash equivalents; with trade payables growing to R100 million, an increase of just over R63 million. The income statement is not as easily compared to the above as Impson was only incorporated into the Group results from 31 August 2006. An indicator of performance, the EPS has improved strongly from 0,16 to 0,44 cents for the Group, indicating the positive effect of the earnings of the subsidiaries on the results.

The effective tax rate for the Group at 37% for 2007 is greater than the normal tax rate of 29%, due in main to the secondary tax on companies raised on dividends by Impson, authorised and paid, prior to their consolidation into the Group. Santova Logistics is still benefiting from the cash flow effects of its assessed loss position. In this regard, the board draws attention to the accumulated loss which was incurred prior to the "reverse listing" of the business in 2002. The profitable results of the business of Santova Logistics have been fully disclosed and in no way resulted in the accumulated loss as reflected in the balance sheet, at inception of the "reverse listing".

ACKNOWLEDGEMENT AND APPRECIATION

Santova's staff complement has grown from 90 to more than 280 in the last fourteen months. The character and enthusiasm that has been displayed by my colleagues during this period of extraordinary growth has been admirable. It is indeed an honour to be part of such a team. I would like to extend my sincere appreciation and thanks to them for being who they are and for the support and dedication that has been so freely forthcoming.

To my fellow directors and executive management, thank you for the support, guidance and unwavering passion in getting us to where we are today. It has been a challenging journey that certainly would not have been possible without the unity and commitment displayed by you as leaders of the business.

The fact that we are now an international company embarking on "unchartered territories" opens up a whole area of new and exciting opportunities for us all. It is vital that we all continue growing as individuals, whilst always striving to create and maintain an environment of enjoyment, encouragement and support to facilitate the vision of what we as one team have set out to achieve.

On a final note, my appreciation goes to our clients, suppliers, business associates and shareholders for their encouragement and support during this exciting era. Considering the prospects for the year ahead, there is no doubt that, as a team, we will grasp every opportunity with the entrepreneurial flare and tenacity that will take us to where we want to be.

GH GERBER
Chief Executive Officer

DIRECTORATE

PRINCE SIFISO ZULU 34, *Chairman*

Sifiso started his career in the Ministry of Public Works and in 1994 was appointed by the then Minister of Public Works, Mr Jeff Hadebe, into his Ministerial Task Team on the National Public Works Programme (NPWP). He became national programme manager of the community-based Public Works Programme (CBPWP) with a budget of R1 billion. His responsibilities included advising the minister and provincial MEC's on policy issues with regard to NPWP; advising the director general on policy and operational issues, coordinating implementation of and assisting in setting up the programme in all Provinces. In 1996 CBPWP was commended by the International Labour Organisation as the best public works programme in Africa, Asia and the Pacific.

After leaving the Ministry of Public Works, Sifiso offered consulting services to a variety of governmental and private sector bodies on policy issues, commercial strategies and strategic communications. Amongst his clients were the Office of the Presidency, the Ministry of Public Enterprises, the Ministry of Public Works, and Daimler Chrysler. In addition to being a director of a number of companies, he is vice-chairman of the World Chambers Federation, immediate past president of the Durban Chamber of Commerce and Industry, a member of the Joint Working Group on Business, a ministerial appointee to the Industry Forum and a director of the South African Endangered Species Protection Trust and Lifeline.

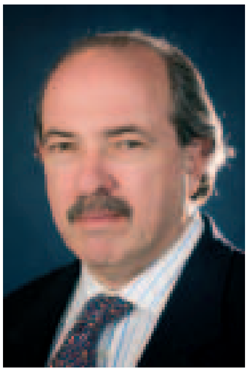
GLEN GERBER 44, BA (Hons), MBA, *Chief Executive Officer*

Glen attained a BA Honours degree at Rhodes University in 1984 and thereafter completed his compulsory two-year national service as an organisational development and research consultant to the SADF. He then joined Integrated Business Information Systems (Pty) Ltd as a research and design manager (statistics and research methodology). On completing his MBA at the University of Pretoria, Glen made a strategic career decision to pursue the field of merchant banking services where companies on the JSE were serviced in respect of trade and working capital finance as well as forex, asset and structured finance. Shortly thereafter, Glen joined Investec Group Limited where he headed both the northern Transvaal and later the KwaZulu-Natal operations for a continuous period of twelve years, focusing on specialised and structured finance, trust, global fiduciary and tax advisory services, as well as private equity and direct investment activities. Glen was also appointed as a divisional director of Investec Private Bank in 1995. In 2003 Glen joined Spectrum Shipping Limited (now Santova Logistics Limited) as chief executive officer.

SEAN CHISHOLM 32, BCompt (Hons), CTA, CA(SA), *Group Financial Director*

Sean completed his articles within a medium-sized audit firm in KwaZulu-Natal during 1999 only to move on to join Ernst & Young's KwaZulu-Natal audit division. During 2000 he was asked to join the Corporate Finance and Advisory Services division with Ernst & Young, which provided him with a wealth of knowledge and experience in a variety of listed entities. After serving as financial director in Retail Solutions, a medium size start-up entity servicing a number of multi-internationals such as Unilever South Africa, he decided to break away and consult to a variety of listed entities, providing an array of system improvement solutions. After seeing the potential of Santova, he joined the Group in April 2006.

DIRECTORATE



STANLEY DONNER 54, BCom, LLB

Stanley graduated from Wits University with a law degree, sub-majoring in accounting and finance. He then completed a shipping diploma part-time whilst in the employ of Freight Services, an Anglo American Group company. His two years' service with Freight Services covered a number of departmental job situations from import clearing to ship chartering. Thereafter, Stanley and his brother started an international trading company, with a small shipping company to look after terminal cargo requirements. Stanley is actively involved in promoting the interests of Santova.

MALCOLM IMPSON 64

Malcolm has been active in the customs clearing and forwarding industry all of his working life and is a Fellow of the Institute of Shipping and Forwarding Agents, South Africa. In 1978 Malcolm founded Impson and has been at the helm throughout its development in becoming one of the leading independent freight forwarding companies in South Africa. In August 2006 the entire shareholding in Impson was sold to Santova Logistics. The operating division of Santova Logistics has been transferred into Impson, which continues to be Malcolm's responsibility as managing director of Impson.

TOM MEZHER 72, ACIS

Tom commenced his career working as an Accountant at Bryce Transport and Shipping Co (Pty) Ltd, in Point Road, Durban, and after purchasing shares in the company became the managing director. Bryce Transport then purchased Storm & Co (Pty) Ltd and established the business in Maydon Wharf. In 1972 Safcor purchased 50% of Storm & Co, which commenced a long and fruitful partnership, during which time the business of Maydon Wharf Cold Storage (Pty) Ltd was established. In 1996, Storm & Co was sold to Grindrod Limited and Tom became an executive director of Grindrod, responsible for transport, warehousing and container facilities throughout South Africa.

Amongst Tom's other business interests, there is Cobro Concrete (Pty) Ltd, where he is chairman and Impson Freight (Pty) Ltd which was started in conjunction with Malcolm Impson as managing director and Tom as chairman. When Tom retired from Grindrod, he joined Malcolm at Impson Freight with the added responsibility of financial director. Impson Freight has since become Impson Logistics (Pty) Ltd through its acquisition by Santova Logistics.

Tom also served as chairman of the Durban Chamber of Commerce Transportation Committee from 1981 – 1986; of the Durban Harbour Carriers Association; and Natal Owners and Trainers Association, and was for a time, a director of Gold Circle Limited.

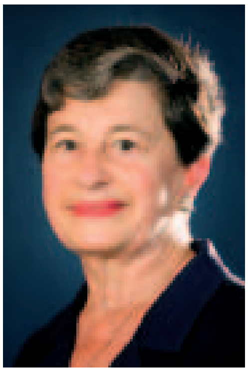
DIRECTORATE

RAJIN SINGH 63, Shipping Diploma, Export Shipping Diploma London

In addition to holding a shipping diploma and an international export diploma (London), Benny has an extensive 33 years' experience in shipping. He started with Clark and Thistleton in the Durban Harbour in 1966 and moved with the company when they merged with Aeromarine in 1972. From 1978 – 1982 Benny was employed by Mitchell Cotts as senior entry clerk and controller. He founded Nunsofast Shipping in 1982 with particular responsibility for the operations and administration department. Nunsofast Shipping merged with Spectrum Shipping Company (Pty) Ltd in 1999 with Benny retaining a substantial shareholding in the merged entity. The business of the merged entity was then sold to Micrologix Limited in 2002 in a reverse listing and the listed entity became Spectrum Shipping Limited (now Santova Logistics Limited).

MOSES TEMBE 45, BA Public Administration and Political Science

Moses graduated from UNISA with a BA in public administration and political science. He then completed the Caltex Business Management Programme at the University of Cape Town. In 1979 Moses became a review case officer at the Umlazi Magistrate's Office and in 1982 became chief credit controller for the KwaZulu Finance Corporation. Moses is now a self-employed entrepreneur and a shareholder and director of various business interests in the retail, tourism, shipping and marine engineering sectors. He was awarded the Investec Bank/Sunday Tribune Entrepreneur of the Week in 2002. Moses is former secretary general and vice-president of the KwaZulu-Natal branch of NAFCOC, founding member of Durban Growth Coalition (Central Committee spearheading development projects in Durban), and board member of Durban Infrastructural Development Trust (the Trust that presides as authority over the ICC, Waterfront and other projects), vice-president of the Durban Chamber of Commerce and Industry and chairman of the Durban Community Foundation.



Company Secretary
JENNIFER LUPTON 65, ACIS

Jenny Lupton began her career in Rhodesia in the early 1970s working for an investment banking organisation, Industrial Finance Corporation Ltd, where she gained wide experience in all aspects of company secretarial work, including listed company transfer secretarial work. She left Rhodesia to emigrate to South Africa in 1975 and joined African Finance Corporation Ltd (AFC) in Johannesburg in 1976, the parent company of the Rhodesian company in which she started her career. With AFC she gained experience in pension fund administration, enhanced her company secretarial experience, gained her Associate membership of the Southern African Institute of Chartered Secretaries and Administrators, and was appointed Company Secretary. After leaving AFC in 1984 she joined Equity International (Pty) Ltd as Company Secretary and remained there until 1994 when she moved down to KwaZulu-Natal. After working for eight years as Office Manager of Marwick & Company Inc, auditors in Hillcrest, Jenny left at the beginning of 2002 to devote all her energies to Highway Corporate Services (Pty) Ltd, a professional corporate secretarial services company which she had started five years previously as a part-time interest. In addition to Santova Logistics Ltd, Jenny is also Company Secretary of Fairvest Property Holdings Ltd, a main board JSE-listed company, as well as a number of other unlisted public and private companies.

GROUP SOCIAL RESPONSIBILITY REPORT
incorporating human resources and broad-based black economic empowerment

For the purposes of this document, the reports of the various subsidiaries on Human Resources, Broad-based Black Economic Empowerment ("B-BBEE"), training and other social issues have been combined into one overall report for the Santova Group. For comparison purposes in future years, the report assumes that Impson and Leading Edge were Group subsidiaries for the full year.

HUMAN RESOURCES

The merge of Santova Logistics and Impson has resulted in a combined Group staff complement of some 280 employees. The human resources departments of both companies are in the process of being merged and much work has been done on the integration of the policies and procedures of the departments. Areas still to be tackled are the harmonisation of pension and provident funds and medical aid, standardisation of employee contracts and merging of the two payroll functions under one entity. A network of suppliers has been appointed to provide professional specialist assistance and support to the department. B-BBEE, Employment Equity, Skills Development and Training remain the priority growth areas for this department, with a formal Staff Wellness project and ISO accreditation being some of the medium and long-term goals. A Group Disciplinary Process has been finalised and involves an independent external consultant. Share options through the Santova Logistics Share Purchase and Option Scheme will be offered to certain employees of the new subsidiary companies. A full report on The Share Trust can be found on page 65.

With the move of the head office and Durban branches into the new premises, at the end of March 2007, the final stage of integration of the two businesses is now proceeding. The new offices have improved facilities and steps have been taken to enhance staff productivity through the appointment of specialists to advise on the floor design and layout of the building.

2006 saw the resurrection of staff social committees and further sporting and social events will be the focus in the year ahead.

SOCIAL TRANSFORMATION

1. **Broad-based Black Economic Empowerment**

   In 2006 the Santova Logistics verification process was started but placed on hold mid-year due to the impending acquisition of Impson and finalisation of the anticipated changes in the B-BBEE laws. Now that the integration of Santova Logistics and Impson is almost complete and the new codes have been published by the Department of Trade and Industry ("DTI"), a B-BBEE consultant has been appointed to give advice and support on the planning, development, implementation and monitoring of B-BBEE in the combined Group. The verification process within the newly constituted Group as a whole began on 1 February 2007 and will initially take the form of an "in-house" audit. An external independent verification process will start now that verification agents have been authorised in terms of the new codes. The social wellness of its employees is important to the Group, and incorporated in the Group's plans for 2007 is the procurement of the services of a black owned company to assist and support staff in this regard.

An audit of the B-BBEE status of Impson was conducted during May 2006, utilising the generic scorecard, as contained in draft DTI B-BBEE Codes of Good Practice published towards the end of 2005. The audit resulted in a score of 37,65%, a "Level 8 Contributor" towards B-BBEE. The recommendations provided by the B-BBEE Consultants to improve this position are being implemented.

Santova Logistics Limited has once again been nominated as one of South Africa's Top 300 Empowerment companies by Impumelelo and received an Impulelelo Empowerment Certificate for 2006/2007 as a result of its contribution to broad-based black economic empowerment and transformation. The benchmark entry criteria for listing in Impumelelo is the percentage of the company that is black "owned and managed". Impumelelo's publication criteria focuses on the seven pillars of B-BBEE espoused by the DTI's codes of good practice.

2. Affirmative action and training initiatives

Impson has developed distinct ABET and Learnership programmes over the last three years. Learnership programmes were started at Impson in 2003 and this project is now being expanded to incorporate the Group as a whole. There are two projects currently under way involving black persons and it is anticipated that the number of such projects will be increased significantly in 2007 as this area is an important focus for the Group going forward. The ABET programme at Impson was also started in 2003 and has seen a number of candidates trained over the years. Impson are proud to see their first student complete the programme, having passed his Level 4 exams last year. Both the Durban and Johannesburg branches are registered as examination centres and there are currently nine people enrolled in the programme. It is intended that six more candidates will be enrolled in this programme in the coming year.

Aside from the above, both Impson and Santova Logistics have been involved in a number of other training initiatives with external training institutions with a view to enhancing the skills and knowledge of employees. Impson had 36 employees (approximately 20% of staff complement) enrolled in 10 different types of training intervention in the last year. There has been a positive reaction to training by the staff and, as a result, greater emphasis will be placed on this initiative with a view to increasing the percentage to 25%. The Group boasts its own in-house Skills Development Facilitation Mentor (Guide and Support Learner) and Assessor. Santova Logistics arranged 22 training interventions for its staff in 2006 (approximately 28% of staff complement) with 57% of all training initiatives going to previously disadvantaged individuals; and approximately 38% of the staff of Leading Edge, the majority of whom were females, embarked upon training interventions in 2006. These training initiatives will be merged and consolidated in the months ahead and made available throughout the Group.

3. Employment Equity

The Group is committed to creating an organisation where the enhancement of people's skills and knowledge remains in the forefront of its strategic planning. In this ever-evolving industry, a company's competitive edge lies in the quality of the skills and knowledge possessed by its staff.

Both Santova Logistics and Impson have firmly established Employment Equity plans which have been in operation since 2003 and 2004 respectively. An external consultant has now been appointed by the Group to implement, facilitate and oversee the Employment Equity process and reporting requirements to the Department of Labour.

GROUP SOCIAL RESPONSIBILITY REPORT
incorporating human resources and broad-based black economic empowerment

There have been significant improvements in this area in both companies over the past three years. In May 2006 Impson held a review of its Employment Equity Plan, and the total staff complement increased from 139 staff to 163 during that period. The staff increase of 24 was made up of the appointment of 26 previously disadvantaged individuals and a reduction in the number of white staff by two, resulting in 100% of new appointments during this period going to the previously disadvantaged. The gender ratio during this period also improved to 46,9% female staff members. Santova Logistic's Employment Equity Plan resulted in the appointment of 23 previously disadvantaged new staff members (of which 57% were female) out of the 42 staff hired in the last year. Thus 55% of all staff hired within Santova Logistics during the fourteen month period were previously disadvantaged and 62% of those were female. Furthermore, Santova Logistics' internal training programmes have resulted in two formerly disadvantaged staff from the facilities department being trained to the level of customs clerks, including a black male who had been a messenger for the company for the last six years.

With the initial phase of the Employment Equity Plan now having been completed successfully, the primary goal for Employment Equity has shifted to the employment of black women and the raising of black individuals to management level. An internal logistics management programme is being developed to assist with the identification of previously disadvantaged staff for management positions.

SOCIAL RESPONSIBILITY

A combined review of Santova Logistics, Impson and Leading Edge from 1 March 2006 to 28 February 2007 reveals that 128 donations were made to 68 charities during that period, many of these being in the form of ongoing monthly donations. Once the major task of integrating the operations of the Group has been completed, a new Group policy on social responsibility interventions will be drawn up to identify the areas on which the Group would like to focus its attention in the year ahead.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH KING II

The Group is committed to the promotion of good corporate governance and to compliance with the Code of Corporate Practices and Conduct set out in the King Report on Corporate Governance for South Africa – 2002 ("King II"). Whilst every effort has been made to institute "best practice" wherever possible, there are areas where this has not been achieved and these are highlighted in this report.

THE BOARD OF DIRECTORS

The Group has a unitary board of directors with the roles of the chairman and CEO separated and their responsibilities clearly defined. The chairman is an independent, non-executive director. The period under review, a momentous one in the history of the company, saw several changes on the board with three directors resigning and four new appointments. These changes have left the board with a predominance of executive directors and this has put pressure on the company's two non-executive directors, particularly in view of the proposed amendments to the Companies Act, Act 61 of 1973 ("the Act") contained in the Corporate Laws Amendment Bill recently approved by Parliament which makes it mandatory that only non-executive directors may be members of Audit and Remuneration Committees. The lack of non-executive directors is being addressed but finding suitable candidates of the right calibre and experience who will be able to add value to the Group is proving challenging and may take some time to accomplish.

The board has adopted a policy detailing procedures for appointments to the board. All appointments are formal and transparent, and a matter for the board as a whole. There exists a clear division of responsibilities at board level that ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The board of directors is responsible for the proper management and ultimate control of the company. In order to meet this responsibility to members and other stakeholders, the board is responsible for setting the strategic objectives of the Company, determining investment and performance criteria, and taking ultimate responsibility for the proper management and ethical behaviour of the business of the Group. The board meets at least quarterly on a formal basis. Five meetings were held during the period under review and the directors' attendance record is set out at the end of this report. The Company's designated advisor attends all board and Audit Committee meetings as required by the JSE Listings Requirements.

During the period under review, the Company changed its listing from the DCM board of the JSE to Alt^X and in terms of the JSE Listings Requirements for companies listed on that exchange, all the directors (and the company secretary) attended the Alt^X Directors' Induction Programme in November 2006.

BOARD COMMITTEES

With the changes in the board of directors and acquisition of Impson the board has re-assessed its committees, resulting in the investment function being handled by the full board and the reconstitution of the Audit, Risk Management (which falls under the aegis of the Audit Committee) and Remuneration Committees. The activities of the original Executive Committee have been suspended since just prior to the acquisition of Impson until such time as the merger of the two businesses is complete and the boards of subsidiary companies have been reconstituted, enabling new members of the committee to be identified.

Due to the merger, the only three active committees at the end of the period under review are the Audit Committee, the Remuneration Committee and the Risk Management Committee. The composition of those committees and a brief report on their activities follows:

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (5 meetings)

S Zulu *(Chairman, Non-executive Director)*

M Tembe *(Non-executive Director)*

Invitees

SJ Chisholm *(GFD)*

S Donner

GH Gerber *(CEO)*

TR Mezher

A Lianos *(representing the designated advisors)*

While it is acknowledged that it is not "best practice" for the chairman of the board to act as chairman of the Audit Committee, for the time being it is unavoidable. Efforts are being made to seek a consultant with suitable qualifications and business experience to sit on the committee to support and assist the non-executive directors in fulfiling their obligations. The external auditors attend all audit committee meetings and the external internal auditor (see note under Internal Control set out below) attends those meetings at which he is to report.

The committee has met five times in the period under review and its main tasks have been to review the Group's interim statements, of which there have been three in this period due to the change of financial year-end (including August comparatives for 2008), the financial statements and annual report, to consider the annual budget, and to receive and consider the reports of the internal auditor and of the Risk Management Committee.

Internal control

The internal auditor appointed by the Audit Committee has conducted two internal audits during the course of the period under review. There would normally have been four but the process was disrupted due to the acquisition of Impson during the period, requiring the main energies of management to be focused on merging the operations of the two businesses, which included detailed due diligences of the Impson and Leading Edge businesses. Now that the two Durban branches have been integrated and are in one building, the internal audit process will continue.

RISK MANAGEMENT COMMITTEE (which reports to the Audit Committee)

GH Gerber *(CEO)*

SJ Chisholm *(GFD)*

A Lewis *(Group legal advisor)*

The management of risk is an ongoing process throughout the Group but has been enhanced and given focus by the setting up of the above committee and the institution of at least two separate Audit Committee meetings during the year specifically to review the activities and findings of the Risk Management Committee. The work of the committee is driven by the Group legal advisor who is committed to this responsibility. The first task of the committee has been to draw up combined Group policies and procedures for all identified risk areas and to ensure that these policies and procedures are adhered to within the Group. This work is already far advanced. The next step will be to establish a Risk Analysis Master, which will become a "living" document to be used in the assessment and management of future risk.

REMUNERATION COMMITTEE (1 meeting)

S Zulu *(Chairman, Non-executive Director)*

M Tembe *(Non-executive Director)*

Attendees

S Donner

TR Mezher

With the majority of non-executive directors previously being based in Johannesburg, most of the meetings of the committee have been via tele-conferencing. Now that all the company's directors are Durban-based, greater emphasis will be placed on the work of the Remuneration Committee and a meeting was held earlier this year to approve increases and bonuses of senior executives and executive directors of the Group. A further meeting will be held later in the current financial period to further refine the remuneration philosophy of the newly constituted Group and set guidelines for the awarding of increases and bonuses.

Remuneration is one of the largest cost components of the Group and optimising the remuneration expense remains a core focus area. The Company's executive directors' remuneration for the period under review amounted to R3 176 978 (2005: R2 129 760 for 12 months).

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation, integrity and objectivity of the financial statements and other information contained in the annual report in a manner that fairly presents the state of affairs and results of the operations of the Group. The financial statements have been prepared in accordance with International Financial Reporting Standards. They are based on appropriate accounting policies and are supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting their findings thereon.

CODE OF ETHICS

Santova Logistics introduced a Code of Ethics in 2003, which has been updated during the period. The code clearly defines the ethical standards and business practices of the company in all aspects of its business. The code has been drawn up in consultation with employees and approved by the board and all directors and employees of the company are committed to upholding its principles. The code is attached to all employment contracts, and employees, in signing the contract, agree to be bound by the code.

With the merger of Santova Logistics, Impson and Leading Edge, roadshows will be held within all offices of the Group to ensure that employees throughout the Group "buy in" to and "live" the principles of the codes.

GOING CONCERN

Due to the positive impact on earnings resulting from the acquisitions and strategic initiatives undertaken during the year, and in particular the acquisition of the two new subsidiaries and expansion into Hong Kong, the directors believe that the Group will continue trading as a going concern into the foreseeable future. The key risks, which have been identified by the Risk Management Committee in consultation with the directors and through internal strategy sessions, have been addressed and are being actively managed on an ongoing basis.

CORPORATE GOVERNANCE REPORT

NON-EXECUTIVE REMUNERATION

Directors' fees are paid to non-executive directors for attendance of meetings on behalf of the Santova Logistics board. These include their attendance at Audit and Remuneration Committee meetings. Non-executive directors' fees paid for board and committee meetings in respect of the period under review amounted to R76 000 (2005: R105 000). Fees paid to the chairman of the board for his services as such amounted to R48 000 (2005: R48 000).

Neither of the non-executive directors participate in the Santova Logistics Share Purchase and Option Scheme at present.

DIRECTORS' ATTENDANCE AT BOARD MEETINGS DURING THE PERIOD UNDER REVIEW (5 meetings)

SJ Chisholm	(appointed 15 August 2006)	3 (of 3 meetings during his tenure)
S Donner		5
GH Gerber		5
MF Impson	(appointed 1 September 2006)	3 (of 3 meetings during his tenure)
TR Mezher	(appointed 1 September 2006)	2 (of 3 meetings during his tenure)
R Singh		5
M Tembe		3
S Zulu	(appointed 15 August 2006)	2 (of 3 meetings during his tenure)

APPROVAL OF THE FINANCIAL STATEMENTS for the period ended 28 February 2007

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The Group's independent external auditors are responsible for independently auditing and reporting on the fair presentation of financial statements in conformity with International Standards on Auditing. The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1973.

The directors are also responsible for the Group's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The financial statements have been prepared on the going-concern basis, since the directors have every reason to believe that the Group has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 25 to 64 were approved by the board of directors on 20 April 2007 and signed on their behalf by:

GH GERBER
Chief Executive Officer

SJ CHISHOLM
Group Financial Director

Durban
20 April 2007

REPORT OF THE COMPANY SECRETARY for the period ended 28 February 2007

I conducted the duties of Company Secretary for Santova Logistics Limited. The secretarial matters are the responsibility of the company's directors. My responsibility is providing the directors collectively and individually with guidance as to their duties, responsibilities and powers.

I hereby certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the South African Companies Act, 1973 and that all such returns are true, correct and up to date.

JA LUPTON ACIS
Company Secretary
Practice number: PPG00290

Durban
20 April 2007

INDEPENDENT AUDITORS' REPORT
to the members of Santova Logistics Limited and its subsidiaries
(registration number 1998/018118/06)

We have audited the financial statements of Santova Logistics Limited and it's subsidiaries, which comprise the directors' report, the balance sheet as at 28 February 2007, the income statement, the statement of changes in equity and the cash flow statement for the 14 months then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 64.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of these financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as at 28 February 2007, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Marwick & Co.

MARWICK AND COMPANY INC.
Chartered Accountants (SA)
Registered Auditors
Durban
20 April 2007

Chartered Accountants (S.A.)
marwick & company inc.
(Reg No 1999/016183/21)

The directors present their report for the period ended 28 February 2007. This report forms part of the audited financial statements.

1. Incorporation

The Company was incorporated in the Republic of South Africa on 11 September 1998 and obtained its certificate to commence business on the same date.

2. General review

The principal business of the Group is that of a comprehensive logistics solutions provider for select clients moving goods by sea, air, road and rail from origin to final destination internationally including the provision of trade finance, insurance, warehousing, information technology and live track and trace.

3. State of affairs

There were major changes in the Group during the period under review, the most significant being:

- a move to the Alt^X from 27 June 2006;
- the acquisition of Impson Freight (Proprietary) Limited (now Impson Logistics (Proprietary) Limited) effective 24 August 2006, a company of similar size to Spectrum Shipping Limited;
- the acquisition of Leading Edge Insurance Brokers (Proprietary) Limited, effective 11 September 2006, an insurance brokerage;
- the change of the company's name from Spectrum Shipping Limited to Santova Logistics Limited, which was registered by the Registrar of Companies on 31 January 2007;
- the opening of an office in Hong Kong and representative offices in mainland China; and
- the change of financial year-end from 31 December to 28 February in each year.

As a consequence of the above, there were changes to the board of directors with David Kelly, Chief Lediga and Sandile Zungu resigning and the appointment of Prince Sifiso Zulu as chairman, Malcolm Impson and Tom Mezher of Impson as executive directors, and Sean Chisholm as Group financial director.

With the change of name of the Company, certain of the subsidiary companies also changed their names:

- Santova NVOCC (Proprietary) Limited (previously Spectrum Shipping NVOCC);
- Santova Warehousing Solutions (Proprietary) Limited (previously Spectrum Warehousing Solutions); and
- Santova Financial Services (Proprietary) Limited (previously Supply Chain Financial Services).

The main focus of the Group since the acquisition of Impson in August last year has been on merging the businesses of the two entities. The merging of the operations in the Eastern Cape, Western Cape and Gauteng have been successfully concluded and the merge of the two Durban branches took effect towards the end of March 2007 with the move into the Group's new offices at Santova House, 88 Mahatma Gandhi Road, Durban.

4. Review of business

The net income attributable to ordinary shareholders for the fourteen months amounted to R4 072 771 (2005: R1 383 406), which represents earnings per share of 0,44 cents (2005: 0,16 cents).

5. Financial results

The results of the Group and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

The financial position of the Group, which is set out in the balance sheet, shows that borrowings are within limits regarded as being acceptable for the Group.

The Group's profit on ordinary activities before taxation for the 14 months amounted to R6 382 662 (2005: R2 170 514), before deducting taxation of R2 329 951 (2005: R787 108).

6. Dividends

In accordance with the board's current desire to reinvest earnings, no dividend has been declared for the financial period.

7. Share capital

In terms of the authority given to the directors at the annual general meeting held on 20 April 2006 an allotment on 24 August 2006 of 218 400 000 (two hundred and eighteen million four hundred thousand) ordinary shares were made for the purchase of Impson Freight (Proprietary) Limited and a further allotment on 11 September 2006 of 4 282 490 (four million two hundred and eighty two thousand four hundred and ninety) ordinary shares for the purchase of Leading Edge Insurance Brokers (Proprietary) Limited, increasing the Company's issued share capital to 1 122 682 490 ordinary shares of 0,1 cent each. Since the financial year-end a further 4 818 750 ordinary shares of 0,1 cent each have been allotted to the vendors of Mogal International Limited, a company registered in the United Kingdom.

There have been no changes in the authorised share capital of the Company during the financial period under review.

8. Controlling and major shareholders

There are 895 (2005: 621) shareholders. Controlling and major shareholders are listed below:

February 2007	Number of shares held	Percentage of issued share capital
JP Morgan Chase Bank – Onshore Clients Omnibus	262 408 694	23,37
Rothschild Bank AG	101 121 591	9,01
Brown Brothers Harriman	80 000 989	7,13
JP Morgan NA ITS LDN A/C First	66 111 750	5,89
The Share Trust	63 305 555	5,64
Other shareholders	549 733 911	48,96
	1 122 682 490	**100,00**

December 2005	Number of shares held	Percentage of issued share capital
JP Morgan Chase Bank – Onshore Clients Omnibus	438 024 079	48,67
Rajin Singh Family Trust	59 235 281	6,58
Rothschild Bank AG	50 000 000	5,56
The Share Trust	51 000 000	5,67
Windworth Holdings (Proprietary) Limited	60 664 510	6,74
Other shareholders	241 076 130	26,78
	900 000 000	**100,00**

9. Property, plant and equipment

There have been no major changes in the property, plant and equipment during the period or any changes in the policy relating to their use within the Group. The plant and equipment in all regions besides Durban have been transferred into Impson, together with the branches operations.

10. Borrowings

The Group has not exceeded its borrowing powers in terms of the Articles of Association of the Company.

11. Events subsequent to the period-end

No facts or circumstances of a material nature have occurred between the financial period-end and the date of this report other than the acquisition of Mogal International Limited, a company registered according to the laws of England and Wales, for a purchase consideration of 4 818 750 Santova Logistic's ordinary shares and cash in the amount of £88 116.

12. Holding company and subsidiary details

The companies registered in the United Kingdom and Australia have been formed recently and are dormant at this stage. Spectrum Shipping 2007 (Proprietary) Limited was formed during the period to protect the name "Santova Logistics" prior to the change. When the name of Spectrum Shipping Limited was changed, it was changed simultaneously with that of Santova Logistics (Proprietary) Limited. The company Spectrum Shipping 2007 (Proprietary) Limited has been retained to protect the name "Spectrum Shipping" for the time being.

The following subsidiary companies changed their names and/or were acquired and/or set up in the 2007 financial period.

Name	% Held	Registration no.	Nature of business
e-OSCI Logistics (Pty) Ltd	90	2006/000544/07	Optimising supply chain logistics
Impson Logistics (Pty) Ltd (previously Impson Freight)	100	1987/001296/07	International logistics solutions provider
Leading Edge Insurance Brokers (Pty) Ltd	90	2002/004034/07	Insurance brokers
Santova Financial Services (Pty) Ltd (previously Supply Chain Financial Services)	100	2005/010339/07	Financial consulting
Santova Logistics Limited (registered in Australia)	100	123200760	Dormant company
Santova Logistics Limited (registered in Hong Kong)	100	36495437	Logistics solutions provider
Santova Logistics Limited (registered in the United Kingdom)	100	5963125	Dormant company
Santova NVOCC (Pty) Ltd (previously Spectrum Shipping NVOCC)	100	2004/031099/07	Non-vessel owner common carrier operations
Santova Patent Logistics Co Limited (registered in Hong Kong)	51	36771425	Logistics solutions provider
Santova Warehousing Solutions (Pty) Ltd (previously Spectrum Warehousing Solutions)	100	2005/004401/07	Warehousing solutions
Spectrum Shipping 2007 (Pty) Ltd (previously Santova Logistics)	100	2006/013508/07	Dormant company

13. Special resolutions

At the annual general meeting held on 20 April 2006 the following special resolution was passed:

- A general authority for the directors to repurchase ordinary shares in the issued share capital of the company.

At the general meeting held on 26 January 2007 the following special resolution was passed:

- Authority to change the name of the Company from Spectrum Shipping Limited to Santova Logistics Limited.

No other special resolutions were passed during the period under review.

14. Share Trust

During the period under review an additional 15 666 667 ordinary shares of 0,1 cent each were made available to The Share Trust. At the general meeting of members held on 26 January 2007 shareholders approved the allocation of an additional 20 000 000 (twenty million) shares to The Share Trust to enable the trustees to make allocations to new and existing staff members.

15. Directors

The directors of the company during the financial period and up to the date of this report were as follows:

Prince S Zulu*	*Chairman*
GH Gerber	*Chief Executive Officer*
SJ Chisholm	*Group Financial Director*
S Donner	
MF Impson	
TR Mezher	
R Singh	
M Tembe*	

* Non-executive

FE Lediga resigned on 14 June 2006, and DC Kelly and SDM Zungu on 15 August 2006. SJ Chisholm and Prince S Zulu were appointed on 15 August 2006, and MF Impson and TR Mezher on 1 September 2006.

16. Directors' interests

As far as the directors are aware, there have been no changes in the interests of directors between the financial period-end and the date of this report. The direct and indirect beneficial and non-beneficial interests of directors in the share capital of the company are:

Beneficial interests

February 2007

Shares held	Direct	Percentage	Indirect	Percentage
GH Gerber	875 000	0,08	41 161 616	3,67
R Singh	8 370 081	0,75	50 165 200	4,47

The directors are entitled to shares of The Share Trust upon certain terms and conditions. The following shares are part of The Share Trust.

Shares held	Indirect	Percentage
SJ Chisholm	7 000 000	0,62

December 2005

Shares held	Direct	Percentage	Indirect	Percentage
S Donner*	500 000	0,06	30 332 255	3,37
GH Gerber	875 000	0,10	27 272 717	3,03
R Singh	8 370 081	0,93	50 165 200	5,57

Non-beneficial interests

February 2007

Shares held	Indirect	Percentage
R Singh	408 000	0,04

December 2005

Shares held	Indirect	Percentage
S Donner*	30 332 255	3,37
R Singh	700 000	0,08

* The company has been advised by the administrators of the beneficial owners of these shares that Mr S Donner does not have and never had any interest, beneficial, non-beneficial nor otherwise, in these shares.

Directors of subsidiary companies

The direct and indirect beneficial and non-beneficial interests of directors of subsidiary companies in the shares of the holding company are set out below:

February 2007

	Direct	Percentage	Indirect	Percentage
CV Simpson	–	–	2 282 490	0,20
GW Stay	11 666 667	1,04	–	–

17. Secretaries

The secretary of the Company is JA Lupton ACIS, whose business and postal addresses are:

Highway Corporate Services (Proprietary) Limited
Suite 17, Marwick Centre
Lucas Drive
Hillcrest
3610
PO Box 1319
Hillcrest
3650

Share registrars are Computershare Investor Services 2004 (Proprietary) Limited, whose business and postal addresses are:

70 Marshall Street
Johannesburg
2001
PO Box 61051
Marshalltown
2107

18. Auditors

Marwick & Company Inc, Registered Auditors, acted as auditors for the 2007 audit.

19. Corporate governance

The directors subscribe to the values of good corporate governance as set out in the King II Report on Corporate Governance for The Republic of South Africa. By supporting this Code of Corporate Practices and Conduct, the directors have recognised the need to conduct the business with integrity and in accordance with generally accepted corporate practices. Please refer to the corporate governance report for specific disclosure requirements.

20. Number of employees

The average number of permanent employees during the period was 280 (2005: 101).

BALANCE SHEET as at 28 February 2007

	Notes	Group 28 February 2007 R	Group 31 December 2005 R	Company 28 February 2007 R	Company 31 December 2005 R
ASSETS					
Non-current assets		**77 362 356**	5 723 705	**92 135 466**	9 093 611
Property, plant and equipment	2	**8 407 777**	1 758 790	**945 443**	1 758 790
Intangible assets	3	**66 135 744**	265 028	**265 028**	265 028
Deferred tax	4	**2 314 898**	2 678 381	**1 877 597**	2 678 381
Investments in subsidiaries	5	**–**	–	**83 977 656**	1 400
Loans receivable	6	**503 937**	1 021 506	**5 069 742**	4 390 012
Current assets		**296 028 302**	145 369 036	**98 879 469**	140 708 271
Trade receivables	7	**279 085 327**	117 066 742	**84 411 018**	112 418 096
Other current assets		**7 504 583**	8 152 012	**7 220 699**	8 151 812
Cash and cash equivalents		**9 438 392**	20 150 282	**7 247 752**	20 138 363
Total assets		**373 390 658**	151 092 741	**191 014 935**	149 801 882
EQUITY AND LIABILITIES					
Capital and reserves		**76 457 485**	31 038 776	**78 596 527**	34 407 756
Share capital	8	**149 041 448**	107 690 789	**153 253 803**	111 060 789
Foreign currency translation reserve		**(3 610)**	–	**–**	–
Accumulated loss		**(72 580 353)**	(76 652 013)	**(74 657 276)**	(76 653 033)
Attributable to equity holders of the company		**76 457 485**	31 038 776	**78 596 527**	34 407 756
Minority interest		**–**	–	**–**	–
Non-current liabilities		**44 461 818**	2 397 400	**43 439 946**	2 397 400
Amounts owing to related parties	9	**41 185 346**	–	**41 185 346**	–
Interest-bearing borrowings	10	**1 021 872**	–	**–**	–
Long-term provision	11	**2 254 600**	2 397 400	**2 254 600**	2 397 400
Current liabilities		**252 471 355**	117 656 565	**68 978 462**	112 996 726
Current tax payable		**277 781**	529	**–**	–
Trade and other payables		**99 518 009**	36 467 384	**20 082 729**	34 333 324
Current portion of amounts owing to related parties	9	**642 675**	–	**642 675**	–
Current portion of borrowings	10	**791 412**	–	**–**	–
Financial liability	13	**24 742**	–	**–**	–
Short-term borrowings	14	**148 096 686**	80 915 748	**47 607 807**	78 390 498
Short-term provisions	15	**3 120 050**	272 904	**645 251**	272 904
Total equity and liabilities		**373 390 658**	151 092 741	**191 014 935**	149 801 882
Net asset value per share (cents)	16	**8,21**	3,66	**7,90**	3,82
Net tangible asset value per share (cents)	17	**1,11**	3,62	**(0,57)**	3,79

INCOME STATEMENT for the period ended 28 February 2007

		Group		Company	
		Fourteen months ended 28 February 2007	Twelve months ended 31 December 2005	**Fourteen months ended 28 February 2007**	Twelve months ended 31 December 2005
	Notes	**R**	R	**R**	R
Gross billings	18	**1 451 862 144**	552 436 442	**668 913 780**	545 452 815
Cost of billings		**1 374 467 047**	521 426 528	**635 095 703**	514 474 479
Turnover		**77 395 097**	31 009 914	**33 818 077**	30 978 336
Other income		**791 960**	301 301	**2 398 940**	301 301
Administrative expenses		**61 108 538**	25 609 187	**28 719 270**	25 587 095
Operating profit before interest and taxation	19	**17 078 519**	5 702 028	**7 497 747**	5 692 542
Interest received	22	**3 180 374**	1 986 899	**3 268 717**	1 981 405
Finance costs	23	**13 876 231**	5 518 413	**7 969 923**	5 505 076
Profit before taxation		**6 382 662**	2 170 514	**2 796 541**	2 168 871
Income tax expense	24	**2 329 951**	787 108	**800 784**	786 579
Profit for the period		**4 052 711**	1 383 406	**1 995 757**	1 382 292
Attributable to:					
Equity holders of the parent		**4 072 771**	1 383 406	**1 995 757**	1 382 292
Minority interests		**(20 060)**	–	**–**	–
		4 052 711	1 383 406	**1 995 757**	1 382 292
Earnings per share (cents)	25	**0,44**	0,16	**0,20**	0,15
Headline earnings per share (cents)	25	**0,43**	0,16	**0,20**	0,15
Diluted earnings per share (cents)	25	**0,35**	0,15	**0,16**	0,15

STATEMENT OF CHANGES IN EQUITY for the period ended 28 February 2007

GROUP	Share capital R	Share premium R	Foreign currency translation reserve R	Accumulated loss R	Total R	Minority interest R	Total equity R
	Attributable to equity holders of the parent						
Balance at 1 January 2005	850 000	106 944 530	–	(78 035 419)	29 759 111	–	29 759 111
Net profit for the period	–	–	–	1 383 406	1 383 406	–	1 383 406
Treasury shares	(1 000)	(119 000)	–	–	(120 000)	–	(120 000)
Employee share incentive scheme	–	16 259	–	–	16 259	–	16 259
Balance at 31 December 2005	849 000	106 841 789	–	(76 652 013)	31 038 776	–	31 038 776
Net profit for the period	**–**	**–**	**–**	**4 072 771**	**4 072 771**	**(20 060)**	**4 052 711**
Minority interest allocated against the parent	**–**	**–**	**–**	**(1 111)**	**(1 111)**	**1 111**	**–**
Issue of share capital	**222 682**	**41 915 692**	**–**	**–**	**42 138 374**	**–**	**42 138 374**
Foreign currency translation adjustment	**–**	**–**	**(3 610)**	**–**	**(3 610)**	**–**	**(3 610)**
Minority interest acquired	**–**	**–**	**–**	**–**	**–**	**18 949**	**18 949**
Treasury shares	**(12 305)**	**(830 050)**	**–**	**–**	**(842 355)**	**–**	**(842 355)**
Employee share incentive scheme	**–**	**54 640**	**–**	**–**	**54 640**	**–**	**54 640**
Balance at 28 February 2007	**1 059 377**	**147 982 071**	**(3 610)**	**(72 580 353)**	**76 457 485**	**–**	**76 457 485**

COMPANY	Share capital R	Share premium R	Accumulated loss R	Total R
Balance at 1 January 2005	**850 000**	**106 944 530**	**(78 035 325)**	**29 759 205**
Net profit for the period	–	–	1 382 292	1 382 292
Issue of share capital	50 000	3 200 000	–	3 250 000
Employee share incentive scheme	–	16 259	–	16 259
Balance at 31 December 2005	900 000	110 160 789	(76 653 033)	34 407 756
Net profit for the period	**–**	**–**	**1 995 757**	**1 995 757**
Issue of share capital	**222 682**	**41 915 692**	**–**	**42 138 374**
Employee share incentive scheme	**–**	**54 640**	**–**	**54 640**
Balance at 28 February 2007	**1 122 682**	**152 131 121**	**(74 657 276)**	**78 596 527**

CASH FLOW STATEMENT for the period ended 28 February 2007

	Notes	Group Fourteen months ended 28 February 2007 R	Group Twelve months ended 31 December 2005 R	Company Fourteen months ended 28 February 2007 R	Company Twelve months ended 31 December 2005 R
NET CASH FLOWS FROM OPERATING ACTIVITIES		**(9 171 308)**	(20 244 800)	**18 425 166**	(17 732 658)
Cash generated by/(utilised in) operating activities	26.1	**3 302 925**	(16 713 286)	**23 126 372**	(14 208 987)
Interest received		**3 180 374**	1 986 899	**3 268 717**	1 981 405
Finance costs		**(13 876 231)**	(5 518 413)	**(7 969 923)**	(5 505 076)
Taxation paid	26.2	**(1 778 376)**	–	**–**	–
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(66 067 223)**	(598 135)	**(84 554 121)**	(598 535)
Expenditure to maintain operating capacity					
Property, plant and equipment acquired		**(2 411 670)**	(667 551)	**(890 770)**	(667 551)
Intangible assets acquired		**(386 078)**	–	**–**	–
Proceeds of disposals of property, plant and equipment		**1 273 272**	69 416	**992 635**	69 416
Decrease/(increase) in loans receivable		**737 010**	–	**(679 730)**	–
Expenditure for expansion					
Subsidiaries acquired	26.3	**(65 279 757)**	–	**–**	–
Investments		**–**	–	**(83 976 256)**	(400)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(2 654 297)**	(1 150 348)	**84 021 035**	(1 148 853)
Movement in share capital		**(787 715)**	(103 741)	**42 193 014**	3 266 259
Loans (repaid)/raised		**(1 866 582)**	(1 046 607)	**41 828 021**	(4 415 112)
(Decrease)/increase in cash and cash equivalents		**(77 892 828)**	(21 993 283)	**17 892 080**	(19 480 046)
Cash and cash equivalents at beginning of the period		**(60 765 466)**	(38 772 183)	**(58 252 135)**	(38 772 089)
Cash and cash equivalents at end of the period	26.4	**(138 658 294)**	(60 765 466)	**(40 360 055)**	(58 252 135)

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and are prepared on the historical cost basis unless specially stated otherwise in the accounting policies. The accounting policies adopted are consistent with those of the previous financial period unless stated otherwise. The financial statements are presented in Rands and all values are rounded to the nearest Rand.

1.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) acquired up to 28 February each year. Control is achieved where the company has the power to govern the financial and operating policies of the acquired entity so as to obtain benefits from its activities.

The assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired, such as a discount on acquisition, is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent, unless the minority has a binding obligation to fund the losses and is able to make an additional investment to cover their losses.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All material inter-company balances and transactions are eliminated.

1.2 Property, plant and equipment

All property, plant and equipment are initially recorded at cost.

Depreciation is calculated on the systematic basis, to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives.

The depreciation rates applicable to each category of property, plant and equipment are as follows:

Motor vehicles	20%
Furniture and fittings	10%
Leasehold improvements	20%
Office equipment	20%
Computer equipment	33,33%

The carrying values of plant and equipment are reviewed at each reporting date as to whether there is an indication that an asset may be impaired.

1. BASIS OF PREPARATION continued

1.2 Property, plant and equipment continued

If any such indication exists the Group makes an estimate of the assets recoverable amount. The recoverable amount of plant and equipment is the greater of its net selling price and its value in use. Where the carrying amount of an asset exceeds the recoverable amount, the asset is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement.

1.3 Intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of subsidiaries at the date of acquisition. It is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill is stated at cost less accumulated amortisation and any impairment in value.

Restraint of trade

The restraint of trade amounts are amortised on a straight-line basis over their anticipated useful lives. The directors assess the carrying value of each restraint of trade annually and revisions are made where it is considered necessary.

1.4 Significant accounting judgements, estimates and assumptions

Judgements

In the process of applying the Group's accounting policies, management have not made any judgements which will have a significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

Estimate of useful life of plant and equipment, impairment of trade receivables and various provisions raised.

1.5 Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available for sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it.

The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

1. BASIS OF PREPARATION continued

1.5 Investments and other financial assets continued

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition as at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Setoff

Where a legally enforceable right of setoff exists for recognised financial assets and liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

1.6 Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets are collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit and loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

1. BASIS OF PREPARATION continued

1.6 Impairment of financial assets continued

In relation to trade receivables, a provision for impairment is made when there is objective evidence that the company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

1.7 Translation of financial statements prepared in foreign currencies

A foreign entity is a foreign operation, the activities of which are not an integral part of those of the reporting enterprise. Balance sheets of consolidated foreign entities are translated into South African currency at rates of exchange ruling at the year-end. Profits and losses arising on the translation of the opening net investments and retained earnings of foreign currency denominated subsidiaries are included in non-distributable reserves. Previously deferred foreign currency translation gains are recognised in income in the period in which the net investment in the foreign entity is disposed of or when the permanent loan funding is repaid.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The financial statements of foreign operations that are integral to the operations of the reporting enterprise are translated in terms of the accounting policy on foreign currencies.

1.8 Foreign currencies

The functional currency of each entity within the Group is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the rates of exchange ruling on the date of the transaction.

Monetary assets and liabilities denominated in such currencies are translated at the rates ruling at the balance sheet date.

Gains and losses arising on exchange differences are recognised in profit and loss.

1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined, net of outstanding bank overdraft and invoice discounting facility balances.

1.10 Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognised when:

a) the rights to receive cash flows from the asset have expired;

1. BASIS OF PREPARATION continued

1.10 Derecognition of financial assets and liabilities continued

b) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or

c) the Group has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

1.11 Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the period that do not qualify for hedge accounting are taken directly to the income statement. The Group does not apply hedge accounting.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

1.12 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax

Deferred income tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill, or of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

1. BASIS OF PREPARATION continued

1.12 Taxation continued

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

Secondary tax on companies (STC)

To the extent that it is probable that dividends will be declared against which unused STC credits can be utilised, a deferred tax asset is recognised for STC credits.

Indirect tax

Indirect taxes, including non-recoverable value-added tax, skills development levies and other duties for banking operations are separately disclosed in the income statement.

1.13 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets of the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a) there is a change in contractual terms, other than a renewal of extension of the arrangement;

b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

c) there is a change in the determination of whether fulfilment is dependent on a specified asset; or

d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a), c) or d) and at the date of renewal of extension period for scenario b).

1. **BASIS OF PREPARATION** continued

1.14 Operating leases

Leases where the lessor retains the risk and rewards of ownership of the underlying assets are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1.15 Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains or losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities may be designated at initial recognition as fair value through profit or loss if the following criteria are met:

a) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; or

b) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or

c) the financial liability contains an embedded derivative that would need to be separately recorded.

As at 28 February 2007, no financial liabilities had been designated at fair value through profit and loss (2005: Rnil).

1.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1. BASIS OF PREPARATION continued

1.17 Employee benefits

Defined contribution plans

Contributions to a defined contribution plan in respect of service in a particular period are recognised as an expense in that period.

Post-employment benefits

No contributions are made to the medical aid of retired employees, except for a closed user group of retirees who were employed and subsequently retired under a defined benefit plan. The present value of the post retirement medical aid obligation for such retirees is actuarially determined every year and any deficit or surplus is immediately recognised in the income statement in compliance with the Pensions Act.

1.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Turnover

Turnover represents net amounts invoiced to customers in respect of agency commission excluding value-added tax. Turnover is recognised when the risks and rewards are transferred, no continuing managerial involvement exists and revenue and cost of sales can be reliably measured.

Interest income

Revenue is recognised as interest accrues, using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

1.19 Borrowing costs

Borrowing costs are recognised as an expense when incurred.

1.20 Segments

All segment revenue and expenses are directly attributable to the segments. Segment assets include all operating assets used by a segment, and consist principally of plant and equipment, as well as current assets. Segment liabilities include all operating liabilities and consist principally of trade creditors. These assets and liabilities are all directly attributable to the segments.

1.21 Other

Where applicable, these are set out in the notes to follow.

2. PROPERTY, PLANT AND EQUIPMENT

	2007			2005		
GROUP	Cost/ valuation R	Accumulated depreciation R	Carrying value R	Cost/ valuation R	Accumulated depreciation R	Carrying value R
Plant and equipment	**52 714**	**(28 443)**	**24 271**	–	–	–
Motor vehicles	**6 056 247**	**(2 960 638)**	**3 095 609**	532 669	(370 078)	162 591
Furniture and fittings	**1 986 558**	**(359 920)**	**1 626 638**	461 316	(115 620)	345 696
Leasehold improvements	**214 161**	**(16 713)**	**197 448**	73 931	(24 311)	49 620
Office equipment	**2 161 536**	**(858 590)**	**1 302 946**	774 199	(336 785)	437 414
Computer equipment	**4 011 129**	**(1 850 264)**	**2 160 865**	2 232 519	(1 469 050)	763 469
	14 482 345	**(6 074 568)**	**8 407 777**	4 074 634	(2 315 844)	1 758 790

None of the assets have been pledged as security other than motor vehicles held under installment sale agreements to the carrying value of R2 780 417 (2005: Rnil) (refer note 10). Motor vehicles under installment sale agreements are pledged as security for the related installment sale agreement.

The carrying amounts of property, plant and equipment can be reconciled as follows:

2007	Carrying value at beginning of period R	Additions R	Transfer R	Disposals R	Depreciation R	Carrying value at end of period R
Plant and equipment	**–**	**51 174**	**–**	**–**	**(26 903)**	**24 271**
Motor vehicles	**162 591**	**4 677 119**	**–**	**(1 053 613)**	**(690 488)**	**3 095 609**
Furniture and fittings	**345 696**	**1 413 808**	**–**	**(27 597)**	**(105 269)**	**1 626 638**
Leasehold improvements	**49 620**	**183 337**	**–**	**–**	**(35 509)**	**197 448**
Office equipment	**437 414**	**1 115 379**	**–**	**(18 858)**	**(230 989)**	**1 302 946**
Computer equipment	**763 469**	**1 978 528**	**–**	**(15 617)**	**(565 515)**	**2 160 865**
	1 758 790	**9 419 345**		**(1 115 685)**	**(1 654 673)**	**8 407 777**
2005						
Owned assets						
Motor vehicles	250 787	–	38 338	(15 138)	(111 396)	162 591
Furniture and fittings	294 779	92 922	–	(172)	(41 833)	345 696
Leasehold improvements	47 665	14 350	–	–	(12 395)	49 620
Office equipment	420 726	158 880	–	–	(142 192)	437 414
Computer equipment	981 462	401 399	–	–	(619 392)	763 469
	1 995 419	667 551	38 338	(15 310)	(927 208)	1 758 790
Capitalised leased asset						
Motor vehicles	38 338	–	(38 338)	–	–	–
	2 033 757	667 551	–	(15 310)	(927 208)	1 758 790

2. PROPERTY, PLANT AND EQUIPMENT continued

COMPANY	2007 Cost/ valuation R	2007 Accumulated depreciation R	2007 Carrying value R	2005 Cost/ valuation R	2005 Accumulated depreciation R	2005 Carrying value R
Owned assets						
Motor vehicles	**225 984**	**(72 264)**	**153 720**	532 669	(370 078)	162 591
Furniture and fittings	**263 340**	**(100 094)**	**163 246**	461 316	(115 620)	345 696
Leasehold improvements	**5 886**	**(3 465)**	**2 421**	73 931	(24 311)	49 620
Office equipment	**364 507**	**(267 771)**	**96 736**	774 199	(336 785)	437 414
Computer equipment	**1 786 039**	**(1 256 719)**	**529 320**	2 232 519	(1 469 050)	763 469
	2 645 756	**(1 700 313)**	**945 443**	4 074 634	(2 315 844)	1 758 790

The carrying amounts of property, plant and equipment can be reconciled as follows:

2007	Carrying value at beginning of period R	Additions R	Transfer R	Disposals R	Depreciation R	Carrying value at end of period R
Owned assets						
Motor vehicles	**162 591**	**304 833**	**–**	**(224 838)**	**(88 866)**	**153 720**
Furniture and fittings	**345 696**	**142 152**	**–**	**(273 463)**	**(51 139)**	**163 246**
Leasehold improvements	**49 620**	**92 818**	**–**	**(116 737)**	**(23 280)**	**2 421**
Office equipment	**437 414**	**14 889**	**–**	**(206 689)**	**(148 878)**	**96 736**
Computer equipment	**763 469**	**336 078**	**–**	**(109 013)**	**(461 214)**	**529 320**
	1 758 790	**890 770**	**–**	**(930 740)**	**(773 377)**	**945 443**
2005						
Owned assets						
Motor vehicles	250 787	–	38 338	(15 138)	(111 396)	162 591
Furniture and fittings	294 779	92 922	–	(172)	(41 833)	345 696
Leasehold improvements	47 665	14 350	–	–	(12 395)	49 620
Office equipment	420 726	158 880	–	–	(142 192)	437 414
Computer equipment	981 462	401 399	–	–	(619 392)	763 469
	1 995 419	667 551	38 338	(15 310)	(927 208)	1 758 790
Capitalised leased asset						
Motor vehicles	38 338	–	(38 338)	–	–	–
	2 033 757	667 551	–	(15 310)	(927 208)	1 758 790

2. PROPERTY, PLANT AND EQUIPMENT continued

Remaining useful lives of the assets are:

	2007 Years	2005 Years
Plant and equipment	**1 – 5**	0 – 0
Motor vehicles	**0 – 5**	0 – 2
Furniture and fittings	**2 – 12**	2 – 10
Leasehold improvements	**3 – 10**	3 – 5
Office equipment	**0 – 5**	0 – 5
Computer equipment	**0 – 6**	0 – 3

3. INTANGIBLE ASSETS

		2007			2005	
GROUP	Cost/ valuation R	Accumulated amortisation R	Carrying value R	Cost/ valuation R	Accumulated amortisation R	Carrying value R
Goodwill	**65 795 105**	**(63 972)**	**65 731 133**	329 000	(63 972)	265 028
Restraint of trade	**2 000 000**	**(2 000 000)**	**–**	2 000 000	(2 000 000)	–
Computer software	**773 314**	**(368 703)**	**404 611**	–	–	–
	68 568 419	**(2 432 675)**	**66 135 744**	2 329 000	(2 063 972)	265 028

The carrying amounts of intangible assets can be reconciled as follows:

2007	Carrying value at beginning of period R	Additions R	Amortisation R	Carrying value at end of period R
Goodwill	**265 028**	**65 466 105**	**–**	**65 731 133**
Computer software	**–**	**458 897**	**(54 286)**	**404 611**
	265 028	**65 925 002**	**(54 286)**	**66 135 744**
2005				
Goodwill	265 028	–	–	265 028

		2007			2005	
COMPANY	Cost/ valuation R	Accumulated amortisation R	Carrying value R	Cost/ valuation R	Accumulated amortisation R	Carrying value R
Goodwill	**329 000**	**(63 972)**	**265 028**	329 000	(63 972)	265 028
Restraint of trade	**2 000 000**	**(2 000 000)**	**–**	2 000 000	(2 000 000)	–
	2 329 000	**(2 063 972)**	**265 028**	2 329 000	(2 063 972)	265 028

3. **INTANGIBLE ASSETS** continued

The carrying amounts of intangible assets can be reconciled as follows:

2007	Carrying value at beginning of period R	Carrying value at end of period R
Goodwill	**265 028**	**265 028**
2005		
Goodwill	265 028	265 028

Remaining useful lives of the intangible assets are:

	2007 Years	2005 Years
Goodwill	**Indefinite**	Indefinite
Computer software	**1 – 5**	0 – 0

Goodwill results from the acquisition of the businesses or subsidiaries:

- Infomax International CC, a specialist forwarder in Johannesburg;
- Impson Logistics (Proprietary) Limited, an international logistics solutions provider; and
- Leading Edge Insurance Brokers (Proprietary) Limited, an insurance broker.

The carrying amounts of intangible assets in the Company remained unchanged at R265 028 since 1 January 2005. The restraint of trade is fully amortised.

	Group		Company	
	2007 R	2005 R	**2007 R**	2005 R
4. DEFERRED TAX				
Balance at beginning of the period	**2 678 381**	3 464 960	**2 678 381**	3 464 960
Movements during the period attributable to:				
– Timing differences	**990 992**	(655 267)	**553 691**	(655 267)
– Deductible temporary differences for tax loss	**(1 371 772)**	(131 312)	**(1 371 772)**	(131 312)
– Prior year adjustment	**17 297**	–	**17 297**	–
Balance at end of the period	**2 314 898**	2 678 381	**1 877 597**	2 678 381
The balance comprises:				
– Capital allowances and provisions	**1 870 223**	813 282	**1 432 922**	813 282
– Assessed losses	**444 675**	1 865 099	**444 675**	1 865 099
	2 314 898	2 678 381	**1 877 597**	2 678 381

	Group 2007 R	Group 2005 R	Company 2007 R	Company 2005 R
5. INVESTMENTS IN SUBSIDIARIES				
Investments at cost	**–**	–	**83 977 656**	1 400
The number of shares the Company held in unlisted investments are:				
e-OSCI Logistics (Proprietary) Limited – 90%	**–**	–	**90**	–
Impson Logistics (Proprietary) Limited – 100%	**–**	–	**81 396 000**	–
Leading Edge Insurance Brokers (Proprietary) Limited – 90%	**–**	–	**2 570 694**	–
Santova Financial Services (Proprietary) Limited – 100%	**–**	–	**100**	100
Santova Logistics Limited (registered in Australia) – 100%	**–**	–	**6**	–
Santova Logistics Limited (registered in Hong Kong) – 100%	**–**	–	**9 352**	–
Santova Logistics Limited (registered in the United Kingdom) –100%	**–**	–	**14**	–
Santova Logistics Share Purchase and Option Scheme Trust	**–**	–	**1 000**	1 000
Santova NVOCC (Proprietary) Limited – 100%	**–**	–	**100**	100
Santova Warehousing Solutions (Proprietary) Limited – 100%	**–**	–	**100**	100
Spectrum Shipping 2007 (Proprietary) Limited – 100%	**–**	–	**100**	–
Supply Chain Insurance Brokers (Proprietary) Limited – 100%	**–**	–	**100**	100
	–	–	**83 977 656**	1 400

The directors are of the opinion that there has been no impairment in the above investments.

Santova Logistics Share Purchase and Option Scheme Trust

A summary of movements follows:	Shares
Shares that may be utilised for purposes of The Share Trust	
At 1 January 2006	**85 000 000**
Additional shares allocated by shareholders on 26 January 2007	**20 000 000**
At 28 February 2007	**105 000 000**

Shares issued	
Number of shares reserved for The Share Trust at period-end	63 305 555
Number of options exercised during the period	28 185 000
Number of shares issued by The Share Trust to beneficiaries, which shares are still subject to the terms of The Share Trust	52 550 667
Number of shares sold to beneficiaries during the period	28 185 000
Number of shares available for sale to proposed beneficiaries	10 754 888
Balance of shares available to The Share Trust	
The balance of shares authorised by shareholders but yet to be allotted to the Trust	55 000 000

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
6. LOANS RECEIVABLE				
Cachecorp Procurement (Proprietary) Limited	**–**	944 022	**–**	–
Employees of Santova Logistics Limited	**503 937**	77 484	**5 069 742**	4 390 012
	503 937	1 021 506	**5 069 742**	4 390 012
The Cachecorp Procurement (Proprietary) Limited loan was repaid during the period.				
The employees of Santova Logistics Limited amount outstanding represents interest and capital payable by the employees for the finance arranged on the purchase of the shares from The Share Trust.				
7. TRADE RECEIVABLES				
Trade receivables	**282 376 474**	116 596 506	**86 051 853**	111 830 166
Impairment of receivables	**(3 389 192)**	–	**(2 491 000)**	–
Other receivables	**98 045**	470 236	**850 165**	587 930
	279 085 327	117 066 742	**84 411 018**	112 418 096
Trade receivables have been ceded to Nedbank Limited as security for the overdraft facility (refer note 14). There is a second cession to Lombards Insurance Company Limited for facilities afforded.				
8. SHARE CAPITAL				
Authorised				
2 000 000 000 Ordinary shares of 0,1 cents each (2005: 2 000 000 000)	**2 000 000**	2 000 000	**2 000 000**	2 000 000
Issued				
1 122 682 490 Ordinary shares of 0,1 cents each (2005: 900 000 000)	**1 059 377**	849 000	**1 122 682**	900 000
Share premium	**147 982 071**	106 841 789	**152 131 121**	110 160 789
	149 041 448	107 690 789	**153 253 803**	111 060 789

The directors are authorised to issue 1 100 000 000 shares (2005: 1 100 000 000 shares) with a limit of 15% of the number of shares issued when the issue of shares is for cash. The directors are furthermore authorised to repurchase shares in the company. The above authorisations are valid until the next annual general meeting.

An allotment on 24 August 2006 of 218 400 000 (two hundred and eighteen million four hundred thousand) ordinary shares was made for the purchase of Impson, and a further allotment on 11 September 2006 of 4 282 490 (four million two hundred and eighty two thousand four hundred and ninety) ordinary shares for the purchase of Leading Edge. Since the financial year-end a further 4 818 750 ordinary shares have been allotted to the vendors of Mogal International Limited, a company registered in the United Kingdom.

8. SHARE CAPITAL continued

Reconciliation of number of ordinary shares in issue	Shares
Opening balance of ordinary shares in issue	900 000 000
Issue for purchase of Impson Logistics (Proprietary) Limited	218 400 000
Issue for purchase of Leading Edge Insurance Brokers (Proprietary) Limited	4 282 490
Closing balance of ordinary shares in issue	1 122 682 490

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
9. AMOUNTS OWING TO RELATED PARTIES				
Previous majority shareholders of:				
Impson Logistics (Proprietary) Limited	**39 900 000**	–	**39 900 000**	–
Leading Edge Insurance Brokers (Proprietary) Limited	**1 928 021**	–	**1 928 021**	–
Less: Current portion	**(642 675)**	–	**(642 675)**	–
	41 185 346	–	**41 185 346**	–
These loans are unsecured, interest free and are repayable on achieving certain profit warranties. However, the directors consider them to be long-term in nature (refer note 25).				
10. INTEREST-BEARING BORROWINGS				
Installment sale agreements	**1 813 284**	–	**–**	–
Less: Current portion included in current portion of borrowings	**(791 412)**	–	**–**	–
	1 021 872	–	**–**	–

These loans are secured by installment sale agreements over motor vehicles with a book value of R2 780 417 (refer note 2). Interest is paid at rates related to the prime bank overdraft rate less 1% – 1,5%.

11. LONG-TERM PROVISION

Post-retirement medical aid benefits for the Group and Company

	Carrying amount at beginning of period R	Provisions released R	Carrying amount at end of period R
2007	**2 397 400**	**(142 800)**	**2 254 600**
2005	2 496 100	(98 700)	2 397 400

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
12. POST-RETIREMENT LIABILITY				
Obligations under a defined benefit medical plan:				
Present value obligation	**2 254 600**	2 397 400	**2 254 600**	2 397 400
Less: Liability already recognised	**2 397 400**	2 496 100	**2 397 400**	2 496 100
Decrease in liability	**(142 800)**	(98 700)	**(142 800)**	(98 700)
Movement represented by:				
– Net actuarial gain	**(47 700)**	(19 100)	**(47 700)**	(19 100)
– Interest cost	**253 600**	224 600	**253 600**	224 600
– Contributions paid to fund	**(348 700)**	(304 200)	**(348 700)**	(304 200)
Decrease in liability	**(142 800)**	(98 700)	**(142 800)**	(98 700)

The company contributes to a medical aid scheme for the benefit of 20 retired employees (2005: 22) with five dependants. During the period under review there were two exits from the scheme. The company contributes 75% (to a maximum of R1 600 per retired employee) and the retired employees contribute 25%. The liability has been actuarially determined and the present value of post-retirement medical aid obligations for these retired employees is shown above.

The principal actuarial assumptions applied in the determination of fair values, expressed as weighted averages, include:

– Medical aid inflation rate: 6% per annum (2005: 6%)
– Discount factor: 9% per annum (2005: 9%)

The latest actuarial valuation was performed in February 2007 by an independent qualified actuary.

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
13. FINANCIAL LIABILITY				
Forward exchange contracts	**24 742**	–	**–**	–

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
14. SHORT-TERM BORROWINGS				
Bank overdraft	**17 261 225**	23 699 066	**4 172 855**	21 173 815
Invoice discounting facility	**130 835 461**	57 216 682	**43 434 952**	57 216 683
	148 096 686	80 915 748	**47 607 807**	78 390 498

Certain trade receivables included at R279 877 862 (2005: R111 830 166) are ceded as security for the bank overdrafts and acceptances of the Group (refer note 7).

The Group has an overdraft facility of R4 500 000 (2005: R500 000) and an invoice discounting facility of R192 000 000 (2005: R80 000 000) secured by unlimited suretyship of loan funds by Impson and Santova NVOCC (Proprietary) Limited. Securities and guarantees in respect of Santova Logistic's and Impson's invoice discount facility, include the agreement of sale of book debts and the cession of the Coface South Africa Services (Proprietary) Limited Policy.

Securities and guarantees held by First National Bank of South Africa Limited on behalf of loans advanced to Impson include:

- Unlimited letter of suretyship by Impson Freight (Natal) (Proprietary) Limited
- Letter of suretyship for R963 300 by TR Mezher
- Letter of suretyship for R889 000 by MF Impson
- Letter of suretyship for R345 000 by P Naidoo
- Letter of suretyship for R345 000 by GA Robinson
- Letter of suretyship for R173 000 by GW Stay
- Letter of suretyship for R173 000 by TK Blond
- Unlimited cession of current/call fixed deposits
- Unlimited cession of credit balances
- Cession of book debts
- Local bank guarantee given by Nedbank Limited for R1 200 000

The securities and guarantees in respect of Impson's bank overdrafts as listed above, with the exception of the undermentioned, were released subsequent to period-end:

- Unlimited cession of current/call fixed deposits
- Unlimited cession of credit balances

Resulting from acquisitions in prior financial years, the bank accounts held by the acquired were taken over by Santova Logistics. One of these bank accounts is still in the name of the acquired and has a balance of R8 552 (2005: overdraft R9 668).

15. SHORT-TERM PROVISIONS

GROUP	Carrying amount at beginning of period R	Provisions (released)/raised R	Carrying amount at end of period R
2007			
Bonuses	**–**	**1 725 995**	**1 725 995**
Leave pay benefits	**272 904**	**1 121 151**	**1 394 055**
	272 904	**2 847 146**	**3 120 050**
2005			
Leave pay benefits	362 080	(89 176)	272 904
COMPANY			
2007			
Bonuses	**–**	**223 084**	**223 084**
Leave pay benefits	**272 904**	**149 263**	**422 167**
	272 904	**372 347**	**645 251**
2005			
Leave pay benefits	362 080	(89 176)	272 904

The expected date of payment of bonuses and leave pay benefits are within the subsequent year of trading.

16. NET ASSET VALUE PER SHARE

Group

The net asset value per share is calculated on the weighted average number of ordinary shares in issue at period-end of 931 823 906 (2005: 849 000 000) and net assets of R76 457 485 (2005: R31 038 776).

Company

The net asset value per share is calculated on the weighted average number of ordinary shares in issue at period-end of 995 129 461 (2005: 900 000 000) and net assets of R78 596 527 (2005: R34 407 756).

17. NET TANGIBLE ASSET VALUE PER SHARE

Group

The net tangible asset value per share is calculated on the weighted number of ordinary shares in issue at period-end of 931 823 906 (2005: 849 000 000) and net tangible assets of R10 321 741 (2005: R30 773 748).

Company

The net tangible asset value per share is calculated on the weighted number of ordinary shares in issue at period-end of 995 129 461 (2005: 900 000 000) and net tangible assets of negative R5 646 157 (2005: positive R34 142 728).

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
18. GROSS BILLINGS				
Gross billings are shown including value-added taxation, and indicates the total level of invoiced activity	**1 451 862 144**	552 436 442	**668 913 780**	545 452 815
19. OPERATING PROFIT				
Operating profit is stated after:				
Income				
Profit on disposals of property, plant and equipment	**157 587**	54 106	**61 895**	54 106
Profit on foreign exchange	**252 652**	259 974	**–**	259 974
Net actuarial gain recognised (refer to note 12)	**142 800**	98 700	**142 800**	98 700
Expenditure				
Auditors' remuneration (refer to note 20)	**929 054**	376 393	**532 515**	376 393
– In respect of current period	**595 184**	309 000	**356 625**	309 000
– In respect of other services	**333 500**	67 393	**175 520**	67 393
– Underprovision in prior year	**370**	–	**370**	–
Depreciation	**1 708 959**	927 208	**773 377**	927 208
– Property, plant and equipment (refer to note 2)	**1 654 673**	927 208	**773 377**	927 208
– Amortisation of intangible assets (refer to note 3)	**54 286**	–	**–**	–
Lease rentals	**2 164 577**	1 443 235	**1 212 163**	1 443 235
– Premises	**1 667 065**	908 926	**786 890**	908 926
– Equipment	**288 872**	368 244	**216 633**	368 244
– Other	**208 640**	166 065	**208 640**	166 065
Loss on foreign exchange	**–**	–	**118 291**	–
Directors' emoluments (refer to note 21)	**6 700 004**	2 234 760	**3 252 978**	2 234 760
Directors and past directors – executive				
– In connection with the affairs of the company	**6 624 004**	2 129 760	**3 176 978**	2 129 760
Directors and past directors – non-executive				
– For services as directors	**76 000**	105 000	**76 000**	105 000
20. AUDITORS' REMUNERATION				
In respect of current period	**595 184**	309 000	**356 625**	309 000
In respect of other services	**333 500**	67 393	**175 520**	67 393
Underprovision in prior year	**370**	–	**370**	–
	929 054	376 393	**532 515**	376 393

	Group 2007 R	Group 2005 R	Company 2007 R	Company 2005 R
21. DIRECTOR'S EMOLUMENTS				
Emoluments received				
Directors and past directors – executive				
In connection with the affairs of the company				
or its subsidiaries	**6 624 004**	2 129 760	**3 176 978**	2 129 760
Basic – Santova Logistics				
– SJ Chisholm	**336 507**	–	**336 507**	–
– S Donner	**702 613**	–	**702 613**	–
– GH Gerber	**723 233**	640 524	**723 233**	640 524
– DC Kelly	**107 098**	459 653	**107 098**	459 653
– R Singh	**616 320**	485 378	**616 320**	485 378
Leave pay – Santova Logistics				
– DC Kelly	**44 664**	–	**44 664**	–
– R Singh	**50 000**	–	**50 000**	–
Provident fund contributions – Santova Logistics				
– SJ Chisholm	**51 346**	–	**51 346**	–
– DC Kelly	**7 879**	23 638	**7 879**	23 638
– R Singh	**45 498**	38 998	**45 498**	38 998
Medical aid contributions – Santova Logistics				
– SJ Chisholm	**8 058**	–	**8 058**	–
– GH Gerber	**29 718**	36 276	**29 718**	36 276
– DC Kelly	**14 612**	31 344	**14 612**	31 344
– R Singh	**51 932**	47 949	**51 932**	47 949
Car allowances – Santova Logistics				
– SJ Chisholm	**60 500**	–	**60 500**	–
– GH Gerber	**185 000**	180 000	**185 000**	180 000
– DC Kelly	**30 000**	90 000	**30 000**	90 000
– R Singh	**112 000**	96 000	**112 000**	96 000
Directors' emoluments – subsidiaries				
Other directors (subsidiary companies)	**3 447 026**	–	**–**	–
Directors and past directors – non-executive				
For services as directors for attending meetings (Santova)	**76 000**	105 000	**76 000**	105 000
– FE Lediga	**–**	5 000	**–**	5 000
– JP Nel	**–**	2 500	**–**	2 500
– M Tembe	**28 000**	12 500	**28 000**	12 500
– T Tomaszewski	**–**	37 000	**–**	37 000
– SDM Zungu	**24 000**	48 000	**24 000**	48 000
– S Zulu	**24 000**	–	**24 000**	–
	6 700 004	2 234 760	**3 252 978**	2 234 760

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
22. INTEREST RECEIVED				
Interest received	**3 180 374**	1 986 899	**3 268 717**	1 981 405
23. FINANCE COSTS				
Interest-bearing borrowings	**5 566 410**	–	**–**	–
Bank overdrafts and acceptances	**8 309 821**	5 517 322	**7 969 923**	5 503 985
Finance leases	**–**	1 091	**–**	1 091
	13 876 231	5 518 413	**7 969 923**	5 505 076
24. TAXATION				
South African normal tax				
– Current tax	**1 511 329**	529	**–**	–
– Deferred tax				
– Current period	**477 169**	786 579	**818 081**	786 579
– Prior year adjustments	**(17 297)**	–	**(17 297)**	–
	1 971 201	787 108	**800 784**	786 579
Secondary tax on companies	**358 750**	–	**–**	–
Tax for the period	**2 329 951**	787 108	**800 784**	786 579
Reconciliation of taxation				
South African normal tax on accounting profit	**1 850 972**	629 449	**810 996**	629 449
Adjusted for:				
– Disallowable expenditure/(exempt income)	**69 457**	42 161	**7 085**	41 632
– Deferred tax rate change	**–**	115 498	**–**	115 498
– Secondary taxation on companies	**358 750**	–	**–**	–
– Capital gains taxation	**68 069**	–	**–**	–
– Prior year adjustment	**(17 297)**	–	**(17 297)**	–
Net increase/(reduction)	**478 979**	157 659	**(10 212)**	157 130
Effective tax	**2 329 951**	787 108	**800 784**	786 579
Reconciliation of rate of taxation	**%**	%	**%**	%
South African normal tax rate	**29,0**	29,0	**29,0**	29,0
Adjusted for:				
– Disallowable expenditure (exempt income)	**1,1**	1,1	**0,3**	1,1
– Deferred tax rate change	**–**	6,2	**–**	6,2
– Secondary taxation on companies	**5,6**	–	**–**	–
– Capital gains taxation	**1,1**	–	**–**	–
– Prior year adjustment	**(0,3)**	–	**(0,7)**	–
Net increase/(reduction)	**7,5**	7,3	**(0,4)**	7,3
Effective rate	**36,5**	36,3	**28,6**	36,3

25. EARNINGS PER ORDINARY SHARE

Group:

Basic earnings per share

The calculation of earnings per ordinary share is based on net profit attributable to ordinary shareholders of R4 072 771 (2005: R1 383 406), and a weighted average of 931 823 906 ordinary shares in issue throughout the period (2005: 849 000 000).

Headline earnings per share

The calculation of headline earnings per ordinary share is based on earnings of R3 960 884 (2005: R1 344 991), and a weighted average of 931 823 906 ordinary shares in issue throughout the period (2005: 849 000 000).

Diluted earnings per share

The calculation of diluted earnings per ordinary share is based on earnings of R4 072 771 (2005: R1 383 406), and a weighted average of 1 154 677 377 ordinary shares in issue throughout the period (2005: 902 816 000).

Reconciliation between basic earnings and headline earnings:

2007	Profit on ordinary activities R	Taxation effect R	Minority interest R	Net effect R
Net profit for the period	**6 382 662**	**(2 329 951)**	**20 060**	**4 072 771**
Adjusted for:				
– Profit on disposals of property, plant and equipment	**(157 587)**	**45 700**	**–**	**(111 887)**
Headline earnings	**6 225 075**	**(2 284 251)**	**20 060**	**3 960 884**
2005				
Net profit for the period	2 170 514	(787 108)	–	1 383 406
Adjusted for:				
– Profit on disposals of property, plant and equipment	(54 106)	15 691	–	(38 415)
Headline earnings	2 116 408	(771 417)	–	1 344 991

Calculation of weighted average ordinary shares in issue:	*Shares*
Ordinary shares in issue at the beginning of the period	900 000 000
Treasury shares	(63 305 555)
Weighted average issue to the vendors of Impson Logistics (Proprietary) Limited	93 600 000
Weighted average issue to the vendors of Leading Edge Insurance Brokers (Proprietary) Limited	1 529 461
Weighted average shares in issue at the end of the period	931 823 906
Effect of dilution:	
Share issues subject to profit warranties:	
Vendors of Impson Logistics (Proprietary) Limited (refer note 9)	210 000 000
Vendors of Leading Edge Insurance Brokers (Proprietary) Limited (refer note 9)	12 853 471
Diluted shares	1 154 677 377

25. EARNINGS PER ORDINARY SHARE continued

Company:

Basic earnings per share

The calculation of earnings per ordinary share is based on net profit attributable to ordinary shareholders of R1 995 757 (2005: R1 382 292), and 995 129 461 weighted average ordinary shares in issue throughout the period (2005: 900 000 000).

Headline earnings per share

The calculation of headline earnings per ordinary share is based on earnings of R1 951 811 (2005: R1 343 877), and a weighted average of 995 129 461 ordinary shares in issue throughout the period (2005: 900 000 000).

Diluted earnings per share

The calculation of diluted earnings per ordinary share is based on earnings of R1 995 757 (2005: R1 382 292), and a weighted average of 1 217 982 932 ordinary shares in issue throughout the period (2005: 902 816 000).

Reconciliation between basic earnings and headline earnings:

2007	Profit on ordinary activities R	Taxation effect R	Net effect R
Net profit for the period	**2 796 541**	**(800 784)**	**1 995 757**
Adjusted for:			
– Profit on disposals of property, plant and equipment	**(61 895)**	**17 949**	**(43 946)**
Headline earnings	**2 734 646**	**(782 835)**	**1 951 811**
2005			
Net profit for the period	2 168 871	(786 579)	1 382 292
Adjusted for:			
– Profit on disposals of property, plant and equipment	(54 106)	15 691	(38 415)
Headline earnings	2 114 765	(770 888)	1 343 877

Calculation of weighted average ordinary shares in issue:	*Shares*
Ordinary shares in issue at the beginning of the period	900 000 000
Weighted average issue to the vendors of Impson Logistics (Proprietary) Limited	93 600 000
Weighted average issue to the vendors of Leading Edge Insurance Brokers (Proprietary) Limited	1 529 461
Weighted average shares in issue at the end of the period	995 129 461
Effect of dilution:	
Share issues subject to profit warranties:	
Vendors of Impson Logistics (Proprietary) Limited (refer note 9)	210 000 000
Vendors of Leading Edge Insurance Brokers (Proprietary) Limited (refer note 9)	12 853 471
Diluted shares	1 217 982 932

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
26. NOTES TO THE CASH FLOW STATEMENT				
26.1 Cash generated by/(utilised in) operating activities				
Profit before taxation	**6 382 662**	2 170 514	**2 796 541**	2 168 871
Adjustments for:				
Depreciation and amortisation	**1 708 959**	927 208	**773 377**	927 208
Interest received	**(3 180 374)**	(1 986 899)	**(3 268 717)**	(1 981 405)
Finance costs	**13 876 231**	5 518 413	**7 969 923**	5 505 076
Movement in retirement benefits	**(142 800)**	(98 700)	**(142 800)**	(98 700)
Movement in financial liability	**24 742**	–	**–**	–
Movement in provisions	**2 847 146**	(89 176)	**372 347**	(89 176)
Profit on disposals of property, plant and equipment	**(157 587)**	(54 106)	**(61 895)**	(54 106)
Foreign currency translation reserve	**(3 610)**	–	**–**	–
	21 355 369	6 387 254	**8 438 776**	6 377 768
Movements in working capital:				
(Increase)/decrease in trade and other receivables	**(405 095)**	(30 599 195)	**28 938 191**	(25 950 350)
(Decrease)/increase in trade and other payables	**(17 647 349)**	7 498 655	**(14 250 595)**	5 363 595
	3 302 925	(16 713 286)	**23 126 372**	(14 208 987)
26.2 Reconciliation of taxation paid during period				
Charge in income statement	**(2 329 951)**	(787 108)	**(800 784)**	(786 579)
Adjustment for deferred tax	**365 431**	786 579	**800 784**	786 579
Movement in taxation balance	**186 144**	529	**–**	–
	(1 778 376)	–	**–**	–

	Group 2007 R	Group 2005 R	Company 2007 R	Company 2005 R
26. NOTES TO THE CASH FLOW STATEMENT continued				
26.3 Acquisition of subsidiary				
Non-current assets				
Property, plant and equipment	**7 007 675**	–	**–**	–
Intangible assets	**72 719**	–	**–**	–
Investments	**100**	–	**–**	–
Loans receivable	**219 441**	–	**–**	–
Deferred tax	**1 948**	–	**–**	–
Current assets				
Trade and other receivables	**160 966 061**	–	**–**	–
Cash and cash equivalents	**10 121 436**	–	**–**	–
Non-current liabilities				
Interest-bearing borrowings	**3 679 866**			
Current liabilities				
Trade and other payables	**80 688 113**	–	**–**	–
South African Revenue Service	**91 108**	–	**–**	–
Short-term borrowings	**75 401 193**	–	**–**	–
Net assets	**18 529 100**	–	**–**	–
Minority interests	**18 949**	–	**–**	–
Net assets acquired	**18 510 151**	–	**–**	–
Goodwill	**65 466 105**	–	**–**	–
Purchase consideration	**83 976 256**	–	**–**	–
Settled in shares	**(42 138 374)**	–	**–**	–
Balance of purchase price	**41 837 882**	–	**–**	–
Investment creditor	**(41 828 021)**	–	**–**	–
Short-term creditors	**(9 861)**	–	**–**	–
Cash balance of subsidiaries	**(65 279 757)**	–	**–**	–
Cash outflow on acquisition of subsidiaries	**(65 279 757)**	–	**–**	–
26.4 Cash and cash equivalents				
Cash and cash equivalents	**9 438 392**	20 150 282	**7 247 752**	20 138 363
Short-term borrowings	**(148 096 686)**	(80 915 748)	**(47 607 807)**	(78 390 498)
	(138 658 294)	(60 765 466)	**(40 360 055)**	(58 252 135)

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the above balance sheet accounts.

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
27. EMPLOYEE BENEFITS				
Pensions				
Defined contribution retirement plan				
It is the policy of the Group to make retirement benefits available to its employees. A defined contribution provident fund and defined contribution pension fund, which are subject to the Pensions Fund Act 1956, exist for this purpose. The scheme is funded by the Group and the member, which is charged to the respective income statements as it is incurred.				
Retirement benefit expense				
– Provident and Pension	**3 013 929**	760 132	**1 098 479**	760 132
28. COMMITMENTS				
Operating lease commitments				
The Group leases offices and certain of its office equipment in terms of operating leases. The Group does not have the option to acquire the assets at the termination of the lease. There are also no restrictions imposed by the leases. The future minimum lease payments under non-cancellable operating leases are as follows:				
Not later than one year	**2 741 474**	1 015 842	**786 890**	1 015 842
Later than one year and not later than five years	**9 263 514**	706 647	**216 633**	706 647
	12 004 988	1 722 489	**1 003 523**	1 722 489
The future minimum sublease payments to be received are as follows:				
Not later than one year	**–**	12 778	**–**	12 778
	–	12 778	**–**	12 778

	Group		Company	
	2007	2005	**2007**	2005
	R	R	**R**	R
29. RELATED PARTIES				
Sales/(purchases) of goods and services				
Impson Logistics (Proprietary) Limited	**–**	–	**2 790 109**	–
Leading Edge Insurance Brokers (Proprietary) Limited	**–**	–	**(21 196)**	–
Santova Logistics Share and Option Scheme Trust	**–**	–	**–**	4 000
Santova NVOCC (Proprietary) Limited	**–**	–	**74 848 944**	7 355 436
Supply Chain Insurance Brokers (Proprietary) Limited	**–**	–	**7 312**	33 077
	–	–	**77 625 169**	7 392 513
Sales and purchases to related parties are made at normal market-related prices.				
Outstanding balances arising from sale/purchase of goods and services				
Receivables from/(payables to) related parties:				
Impson Logistics (Proprietary) Limited	**–**	–	**50 275**	–
Impson Logistics (Proprietary) Limited	**–**	–	**(210 581)**	–
Santova NVOCC (Proprietary) Limited	**–**	–	**758 940**	–
Supply Chain Insurance Brokers (Proprietary) Limited	**–**	–	**(3 390)**	–
	–	–	**595 244**	–
Loans to/(from) related parties:				
Impson Logistics (Proprietary) Limited	**–**	–	**3 026 875**	–
Previous shareholders of Leading Edge (Proprietary) Limited	**–**	–	**(1 928 021)**	–
Previous shareholders of Impson Logistics (Proprietary) Limited	**–**	–	**(39 900 000)**	–
Santova Logistics Limited (registered in Hong Kong)	**–**	–	**301 256**	–
Santova Logistics Share Purchase and Option Scheme Trust	**–**	–	**5 069 742**	4 390 012
Santova NVOCC (Proprietary) Limited	**–**	–	**(1 483 312)**	128 000
Santova Warehousing Solutions (Proprietary) Limited	**–**	–	**9 598**	–
Supply Chain Insurance Brokers (Proprietary) Limited	**–**	–	**107 058**	5 000
	–	–	**(34 796 804)**	4 523 012

30. COMPARATIVE FIGURES

The following comparative figures have been reclassified from short-term to long-term:

	R
Post-retirement medical aid benefits	2 397 400

31. GROUP SEGMENTAL REPORTING

Information about geographical segments:

2007	Durban R	Cape Town R	Port Elizabeth R	Johannesburg R	Hong Kong	Consolidated R
Gross billings	**798 521 659**	**125 495 545**	**40 451 838**	**487 393 102**	**–**	**1 451 862 144**
Revenue						
External sales	**40 488 747**	**7 746 210**	**2 671 242**	**25 083 621**	**1 405 277**	**77 395 097**
Total turnover	**40 488 747**	**7 746 210**	**2 671 242**	**25 083 621**	**1 405 277**	**77 395 097**
Result						
Segment result	**10 956 489**	**(1 066 034)**	**171 728**	**7 081 540**	**(65 204)**	**17 078 519**
Interest received	**2 665 314**	**68 139**	**22 294**	**424 627**	**–**	**3 180 374**
Finance costs	**(9 022 321)**	**(657 427)**	**(227 997)**	**(3 968 486)**	**–**	**(13 876 231)**
Profit before taxation	**4 599 482**	**(1 655 322)**	**(33 975)**	**3 537 681**	**(65 204)**	**6 382 662**
Income tax expense						**(2 329 951)**
Net profit						**4 052 711**
Other information						
Segment assets	**176 368 681**	**17 490 216**	**5 364 699**	**104 293 367**	**1 423 053**	**304 940 016**
Intangible assets						**66 135 744**
Deferred taxation						**2 314 898**
Consolidated total assets						**373 390 658**
Segment liabilities	**189 784 211**	**17 473 891**	**4 137 231**	**84 042 004**	**1 495 836**	**296 933 173**
Consolidated total liabilities						**296 933 173**
Capital expenditure	**7 523 343**	**1 010 569**	**206 956**	**643 037**	**35 440**	**9 419 345**
Depreciation	**1 012 641**	**192 741**	**52 942**	**394 366**	**1 983**	**1 654 673**

Geographical segments

For management purposes, the Group is organised into five major geographical operating divisions, namely Durban, Cape Town, Port Elizabeth, Johannesburg and Hong Kong. These divisions are the basis on which the company reports its primary segment information.

31. GROUP SEGMENTAL REPORTING continued

2005	Durban R	Cape Town R	Port Elizabeth R	Johannesburg R	Consolidated R
Gross billings	380 698 345	62 826 728	12 220 042	96 691 327	552 436 442
Revenue					
External sales	17 974 989	5 530 787	1 417 092	6 087 046	31 009 914
Total turnover	17 974 989	5 530 787	1 417 092	6 087 046	31 009 914
Result					
Segment result	5 681 465	(840 366)	(741 306)	1 602 235	5 702 028
Interest received	1 706 342	183 173	32 600	64 784	1 986 899
Finance costs	(4 377 456)	(358 756)	(160 461)	(621 740)	(5 518 413)
Profit before taxation	3 010 351	(1 015 949)	(869 167)	1 045 279	2 170 514
Income tax expense					(787 108)
Net profit					1 383 406
Other information					
Segment assets	122 149 785	5 216 165	5 602 629	15 180 753	148 149 332
Intangible assets					265 028
Deferred taxation					2 678 381
Consolidated total assets					151 092 741
Segment liabilities	113 253 613	1 738 776	1 068 801	3 992 775	120 053 965
Consolidated total liabilities					120 053 965
Capital expenditure	421 814	52 472	85 642	107 623	667 551
Depreciation	542 821	210 669	46 571	127 147	927 208

SHARE PURCHASE AND OPTION SCHEME

In keeping with the change of name from Spectrum Shipping Limited to Santova Logistics Limited, the name of the share trust was changed to the Santova Logistics Share Purchase and Option Scheme Trust ("The Share Trust") at the end of the period under review.

As reported in the 2005 Annual Report, T Tomaszewski resigned as a Trustee of The Share Trust at the end of 2005 and J Lupton, the company secretary, was appointed a Trustee in his stead on 27 July 2006. Sean Chisholm, Group financial director of Santova Logistics, was appointed compliance officer of The Share Trust on the same date.

On 26 January 2007 a general meeting of shareholders of Santova Logistics approved an increase in the shares available to The Share Trust from 85 000 000 to 105 000 000 (9,35% of the then issued share capital of Santova Logistics), an increase of 20 000 000 shares. These shares have not yet been allotted to The Share Trust.

In terms of the Trust Deed, the aggregate number of shares purchased for the purposes of The Share Trust may not exceed 10% of the issued share capital of the company, which equates to 112 268 249 shares at period-end.

A summary of movements follows:

1. Shares that may be utilised for purposes of The Share Trust

At 1 January, 2005	85 000 000
Additional shares allocated by shareholders on 26 January 2007	20 000 000
At 28 February, 2007	105 000 000

2. Shares issued

Number of shares reserved for The Share Trust at period-end	63 305 555
Number of options exercised during the period	28 185 000
Number of shares issued by The Share Trust to beneficiaries, which are still subject to the terms of The Share Trust	52 550 667
Number of shares sold to beneficiaries during the period	28 185 000
Number of shares available for sale to proposed beneficiaries at period-end	10 754 888

3. Balance of shares available for allotment to The Share Trust

The balance of shares authorised by shareholders but yet to be allotted to the Trust	55 000 000

SHARE ANALYSIS for the period ended 28 February 2007

	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of shares
Shareholder spread				
1 – 1 000 shares	46	5,14	35 723	0,00
1 001 – 10 000 shares	200	22,35	1 274 649	0,11
10 001 – 100 000 shares	373	41,68	18 926 830	1,69
100 001 – 1 000 000 shares	209	23,35	75 286 199	6,71
1 000 001 shares and over	67	7,48	1 027 159 089	91,49
Total	895	100,00	1 122 682 490	100,0
Distribution of shareholders				
Banks	23	2,57	540 555 922	48,15
Close corporations	24	2,68	5 196 987	0,46
Individuals	740	82,68	152 222 401	13,56
Investment companies	1	0,11	100 000	0,01
Mutual funds	4	0,45	4 091 821	0,36
Nominees and trusts	45	5,03	117 835 219	10,50
Other corporations	19	2,12	91 234 655	8,12
Private companies	32	3,58	109 859 918	9,79
Public companies	6	0,67	38 280 012	3,41
The Share Trust	1	0,11	63 305 555	5,64
Total	895	100,00	1 122 682 490	100,00
Public/non-public shareholders				
Non-public shareholders	10	1,11	440 235 303	39,21
Directors and associates of the Company holdings (excluding Trust shares)	8	0,89	114 521 054	10,20
The Share Trust	1	0,11	63 305 555	5,64
Strategic holdings (more than 10%)	1	0,11	262 408 694	23,37
Public shareholders	885	98,89	682 447 187	60,79
Total	895	100,00	1 122 682 490	100,00

	Number of shares	Percentage of shares
Beneficial shareholders holding 5% or more		
Santova Logistics Share Purchase and Option Scheme Trust	63 305 555	5,64
Custodian holdings of 5% or more		
JP Morgan Chase Bank – Onshore Clients Omnibus	262 408 694	23,37
JP Morgan NA ITS LDN A/C First	66 111 750	5,89
Rothschild Bank AG	101 121 591	9,01
Brown Brothers Harriman	80 000 989	7,13

Breakdown of non-public holdings

	Direct number of shares	Percentage of shares	Indirect number of shares	Percentage of shares
Directors' beneficial holdings				
Gerber, GH	875 000	0,08	41 161 616	3,67
GH Gerber	875 000	0,08	–	–
Lloyd Investment Trust	–	–	13 888 889	1,24
Staff Capital (Proprietary) Limited	–	–	27 272 727	2,43
Singh, R	8 370 081	0,75	50 165 200	4,47
Rajin Singh Family Trust	–	–	50 165 200	4,47
R Singh	7 870 081	0,70	–	–
R Singh	500 000	0,05	–	–
Directors of subsidiary companies	11 666 667	1,04	2 282 490	0,20
CV Simpson	–	–	2 282 490	0,20
GW Stay	11 666 667	1,04	–	–
Total	20 911 748	1,86	93 609 306	8,34

	Number of shares	Indirect percentage of shares
Part of The Share Trust		
Chisholm, SJ	7 000 000	0,62

	Indirect non-beneficial	Percentage of shares
Director's indirect non-beneficial interests		
Singh, R	408 000	0,04

Stock exchange performance

Year	Month	High sale	Low sale	Number of deals	Volume	Value
2006	January	14	11	60	6 396 946	818 835
2006	February	15	11	144	11 387 911	1 495 501
2006	March	13	10	76	7 302 223	859 985
2006	April	16	10	168	17 058 935	2 297 269
2006	May	20	14	224	21 550 424	3 584 959
2006	June	20	16	219	15 958 332	2 977 380
2006	July	20	14	92	5 444 715	940 525
2006	August	17	8	172	15 719 550	2 187 756
2006	September	16	11	180	15 285 605	2 072 894
2006	October	19	12	230	25 576 553	3 984 350
2006	November	17	14	140	13 414 340	2 058 478
2006	December	17	13	87	11 457 260	1 692 801
2007	January	18	14	221	27 303 525	4 408 459
2007	February	19	12	405	34 025 090	5 347 074

ADMINISTRATION

Country of incorporation
Republic of South Africa

Registration number
1998/018118/06

Nature of business
International logistics solutions provider

Directors
S Zulu* *(Chairman)*
GH Gerber *(CEO)*
MF Impson *(MD)*
SJ Chisholm *(GFD)*
S Donner
MR Mezher
R Singh
M Tembe*
** Non-executive and independent*

Head office, Durban branch and registered office address
Business address
Santova House, 88 Mahatma Gandhi Road, Durban, 4001
Postal address
PO Box 6148, Durban, 4000; or Docex 285, Durban
Operations postal address
PO Box 1870, Durban, 4000; or Docex 285, Durban

Cape Town branch
Business address
9th Floor, Metropolitan Building,
Coen Steytler Road, Foreshore, 8001
Postal address
PO Box 2141, Cape Town, 8000; or Docex 262, Cape Town

Johannesburg branch
Business address
3 Michael Place (off Yaldwyn Road), Jet Park, 1469
Postal address
PO Box 1411, Witfield, 1467; or Docex 2, Kempton Park
Sales address
Unit 5C D, Highway Gardens Office Park
Minuach Street, Edenvale, 1609

Pietermaritzburg branch
Business address
7 Tomlinson Road, Pietermaritzburg, 3208
Postal address
PO Box 21478, Pietermaritzburg, 3200

Port Elizabeth branch
Business address
3rd Floor, Greyville House, Ring Road,
Greenacres, Port Elizabeth, 6045
Postal address
PO Box 110, Port Elizabeth, 6000

Sasolburg branch
Business address
Sasolburg, Carl Bosch Road, Sasolburg, 1947
Postal address
PO Box 1, Sasolburg, 1947

Leading Edge Insurance Brokers (Proprietary) Limited
Business address
3 Storm Building, 1 Rydall Vale Park
Douglas Saunders Drive, La Lucia Ridge, 4019
Postal address
PO Box 5205, Rydall Vale Park, La Lucia Ridge, 4019

Santova Logistics Limited (registered in Hong Kong)
Business and postal address
Rm1104-1105, 11/F, Bonham Trade Centre
No. 50 Bonham Strand East, Sheung Wan, Hong Kong

Group Bankers
First National Bank of South Africa Limited
The Hong Kong and Shanghai Banking Corporation Limited ("HSBC")
Nedbank Limited
Standard Bank of South Africa Limited

Group Auditors
Marwick & Company Inc, Chartered Accountants (SA)
Registered Auditors
PO Box 1470, Hillcrest, 3650; or Docex 6, Hillcrest

Company Secretary
JA Lupton, ACIS
Highway Corporate Services (Proprietary) Limited
PO Box 1319, Hillcrest, 3650

Share registrars
Computershare Investor Services 2004 (Proprietary) Limited
PO Box 61051, Marshalltown, 2008

Designated Advisors
River Group
Block B, First Floor, 335 Veale Street, Brooklyn, 0181

SHAREHOLDERS' CALENDAR

Activity	Date
Financial year-end	28 February
Release of abridged results on SENS	16 May 2007
Dispatch of annual report	8 June 2007
Annual general meeting	19 July 2007
Release of interim statement	October 2007

NOTICE OF ANNUAL GENERAL MEETING

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, please consult your stockbroker, accountant, attorney, banker or other independent professional adviser immediately.

NOTICE IS HEREBY GIVEN that the annual general meeting of members of Santova Logistics Limited (previously Spectrum Shipping Limited) will be held in the Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban on Thursday, 19 July 2007 at 09:00 for the following purposes:

1. To receive and accept the financial statements of the Company for the fourteen months ended 28 February 2007, including the Directors' report and the report of the auditors thereon.

2. 2.1 To re-elect directors in accordance with the Company's articles of association.

   The following retiring directors are eligible and offer themselves for re-election:

   (a) Moses Tembe, who retires by rotation;

   (b) Prince Sifiso Zulu, who retires in terms of Article 83.2.1.

   (*Curriculum vitae* of both of these directors are set out on the directorate pages of this annual report.)

3. 3.1 To approve the remuneration of the directors for the fourteen months ended 28 February 2007.

   3.2 To approve the remuneration payable to the non-executive directors for the period-ended 28 February 2008 as follows:

For attendance at board meetings	R2 500 per meeting
Audit Committee Chairman	R9 000 per meeting
Remuneration Committee Chairman	R9 000 per meeting
Chairman	R9 000 per meeting

4. To authorise the directors to fix the remuneration of the auditors for the past financial period.

5. To appoint Deloitte & Touche auditors until the conclusion of next annual general meeting.

6. To consider and if deemed fit, to pass the following resolutions as special resolutions:

   6.1 **Special Resolution No. 1 – Amendment of Articles of Association**

   "That the following new article 142 be added to the company's Articles of Association:

   142. Notwithstanding anything to the contrary contained in these articles and subject to the Companies Act and the requirements of the JSE Limited and any other exchange upon which the shares of the Company may be quoted or listed from time to time, the company be and is hereby authorised to deliver, issue, distribute, register, lodge, publish and make available all returns, certificates, registers, notices and other information relevant to members, such as circulars, annual reports, financial statements, accounts, interim and other reports, listing particulars, dividend notices and proxy forms, and to facilitate online proxy voting by way of electronic media, which include facsimiles, electronic mail, bulletin boards, internet websites and computer network.

   The reason for the passing of the special resolution is to update the Articles of Association and to provide for electronic distribution of documents sent to shareholders. The effect of passing the special resolution will be that the Company will be able to send documents to shareholders by electronic means.

6.2 **Special Resolution No. 2 – General authority to acquire own shares**

"THAT the Company hereby approves, as a general approval contemplated in sections 85(2) and 85(3) of the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act") and in terms of article 33.7 of the Company's Articles of Association, the acquisition by the Company or any of its subsidiaries from time to time of the Company's securities (as defined by the Listings Requirements of the JSE Limited ("the JSE Listings Requirements"), upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the Articles of Association of the Company, the provisions of the Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time by JSE Limited ("JSE"), and provided that:

- any such acquisition of ordinary shares will be effected through the order book operated by JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution;
- an announcement will be made as soon as the Company or its subsidiaries has/have acquired securities constituting, on a cumulative basis, 3% (three percent) of the number of securities in issue prior to the acquisition pursuant to which the 3% (three percent) threshold is reached, and in respect of every 3% (three percent) thereafter, which announcement shall contain full details of such acquisitions;
- acquisitions of the Company's securities by the Company or its subsidiaries in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued share capital from the date of the grant of this general authority;
- repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for such securities for the 5 (five) business days immediately preceding the date on which the transaction is effected.
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on its behalf;
- the Company or its subsidiaries may only undertake a repurchase if, after such a repurchase it shall still comply with the spread requirements of the JSE Listings Requirements; and
- the Company or its subsidiaries may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements.

The reason for the passing of the above special resolution is to grant the Company a general authority in terms of the Act for the acquisition by the Company or any of its subsidiaries of securities issued by the Company, which authority shall be valid until the earlier of the next annual general meeting, or the variation or revocation of such General Authority by Special Resolution by any subsequent general meeting of the Company; provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire securities issued by the Company.

The following information, which is required by the JSE Listings Requirements with regard to the resolution granting a general authority to the Company to repurchase securities, appears on the pages of the financial statements to which this notice of general meeting is annexed indicated below:

Directors of the Company	page 29
Major shareholders	page 26
Directors' interests in securities	page 29
Share capital of the Company	page 49
Responsibility statement	page 22
Material changes	page 25

There are no legal or arbitration proceedings, either pending or threatened against the Company or its subsidiaries, of which the Company is aware, which may have, or have had in the last twelve months, a material effect on the financial position of the Company or its subsidiaries.

Statement by the board of directors of the Company pursuant to and in terms of the JSE Listings Requirements:

The directors of the Company hereby state that:

(a) the intention of the directors of the Company is to utilise the authority if, at some future date, the cash resources of the Company are in excess of its requirements. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and will ensure that any such utilisation is in the interests of shareholders; and

(b) the method by which the Company intends to re-purchase its securities and the date on which such re-purchase will take place, has not yet been determined.

At the time that the contemplated re-purchase is to take place, the directors of the Company will ensure that:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business for a period of twelve months after the date of the annual general meeting;
- the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries for a period of twelve months after the date of the annual general meeting;
- the issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the business of the Company and its subsidiaries for a period of twelve months after the date of the annual general meeting;
- the working capital available to the Company and its subsidiaries will be sufficient for the Group's requirements for a period of twelve months after the date of the annual general meeting; and
- the Company will provide its designated advisor and the JSE with all documentation as required in Schedule 25 of the JSE Listings Requirements, and will not commence any repurchase programme until the sponsor has signed off on the adequacy of its working capital, advised the JSE accordingly and the JSE has approved this documentation.

7. To consider, and if deemed fit, to pass the following resolutions as ordinary resolutions:

    7.1 **Ordinary Resolution No. 1 – Unissued shares to be placed under the control of the directors**

    "THAT the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares to such person or persons on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the provisions of the Companies Act, 1973 (Act 61 of 1973), as amended and the Listings Requirements of JSE Limited ("JSE")."

    7.2 **Ordinary Resolution No. 2 – General authority to issue shares, and to sell treasury shares, for cash**

    "THAT the directors of the Company and/or any of its subsidiaries from time to time be and they are hereby authorised, by way of a general authority, to:

    - allot and issue all or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the Company; and/or
    - sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the Company purchased by subsidiaries of the Company;

    for cash, to such person/s on such terms and conditions and at such times as the directors in their discretion deem fit, subject to the Companies Act, 1973 (Act 61 of 1973), as amended, the Articles of Association of the Company, the Listings Requirements of JSE and the following limitations:

    - the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
    - any such issue may only be made to public shareholders as defined by Listings Requirements of JSE and not to related parties;
    - the number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 50% (fifty percent) of the number of issued ordinary shares;
    - this general authority is valid until the earlier of the Company's next annual general meeting or expiry of a period of 15 (fifteen) months from the date that this authority is given;
    - a SENS announcement giving full details, including the impact on the net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share, will be published when the company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five per cent) or more of the number of ordinary shares in issue prior to the issue;
    - in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the Company;
    - whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares; and

- approval of the general issue for cash resolution by achieving a 75% majority of the votes cast in favour of such resolution by all equity securities holders present or represented by proxy at the general meeting convened to approve such resolution. The resolution must be worded in such a way as to include the issue of any options/convertible securities that are convertible into an existing class of equity securities, where applicable."

7.3 **Ordinary Resolution No. 3 – Authority to execute requisite documentation**

"THAT any director of the Company, or the company secretary where appropriate, be and hereby is authorised to do all such things and to sign all such documents issued by the Company required to give effect to special resolution numbers 1 and 2 and ordinary resolution numbers 1 and 2."

8. To transact such other business that may be transacted at an annual general meeting.

Voting and proxies

A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and vote in his/her stead, subject to the general instructions attached to this notice. Any proxy so appointed need not be a member of the Company. Proxy forms must be received at the registered office of the Company not less than 48 hours before the date of the meeting.

For the convenience of registered members of the Company, a form of proxy is enclosed herewith. The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificate form; or
- are recorded on the sub-register in "own name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without "own name" registration and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms must be received at the registered office of the company at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of holding of the annual general meeting.

By order of the board

JA LUPTON
Secretary
20 April 2007

Registered Office
Santova House
88 Mahatma Gandhi Road
Durban
4001

NOTICE OF ANNUAL GENERAL MEETING

GENERAL INSTRUCTIONS

All shareholders are encouraged to attend the annual general meeting of the Company.

1. All registered shareholders of ordinary shares ("shares") in the Company are entitled to attend, speak and vote at the annual general meeting.

2. Please note that the Company has moved to JSE Limited's electronic settlement systems Shares Totally Electronic ("STRATE"). If you are a dematerialised shareholder (i.e. you have replaced your paper share certificates with electronic records of ownership under STRATE) and are not an "own name" dematerialised shareholder, then:

   2.1 If you wish to attend the annual general meeting you should contact your Central Security Depository Participant ("CSDP") or broker, as the case may be, and obtain the relevant letter of representation from them. The letter of representation must be obtained within the time period required by your CSDP or broker, as the case may be, and allow them sufficient time to provide such letter to the company secretary prior to the annual general meeting;

   or, alternatively,

   If you are unable to attend the annual general meeting, you must contact the CSDP or broker, as the case may be, and furnish them with your voting instructions in respect of the annual general meeting in accordance with the mandate between yourself and the CSDP or broker, as the case may be. You should not complete the attached form of proxy. If your CSDP or broker does not obtain voting instructions from you in respect of the annual general meeting, it will be obliged to act in terms of your mandate. The instructions must be provided within the time period required by your CSDP or broker, as the case may be.

   2.2 If you hold certificated shares (i.e. you have not dematerialised your shares in the Company) or are an "own name" dematerialised shareholder, then:

   You may attend and vote at the annual general meeting;

   or, alternatively

   You may appoint a proxy to represent you at the annual general meeting by completing the attached form of proxy and returning it to the registered office of the Company by no later than 48 hours prior to the commencement of the meeting.

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FORM OF PROXY

Santova Logistics Ltd

SANTOVA LOGISTICS LIMITED
(previously Spectrum Shipping Limited)
Incorporated in the Republic of South Africa
(Registration number 1998/018118/06)
Share code: SNV ISIN: ZAE000090650
("Santova Logistics" or "the Company")

For the sole use by the following holders of ordinary shares in the Company at the annual general meeting of the Company to be held in the Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 on Thursday, 19 July 2007 at 09:00 and at any adjournment thereof:

- certificated shareholders; and
- CSDP nominee companies, brokers' nominee companies and dematerialised shareholders who have elected "own name" registrations.

Forms of proxy must be completed and delivered to the Company's registered office, Santova House, 88 Mahatma Gandhi Road, Durban (PO Box 6148, Durban, 4000) to be received by no later than 09:00 on Tuesday, 17 July 2007.

I/We (BLOCK LETTERS please)

of (address)

Telephone work   Telephone home

being the holder/custodian of   ordinary shares in the Company, hereby appoint

1.   or, failing him/her

2.   or, failing him/her

3. the Chairman of the meeting

as my/our proxy to attend and speak out and, on a poll, vote for me/us on my/our behalf at the annual general meeting of the Company to be held for the purpose of considering and, if deemed fit, passing the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against and/or abstain from voting in respect of the ordinary shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions:

	FOR	AGAINST	ABSTAIN
Adoption of the financial statements			
To re-elect Mr M Tembe a director			
To re-elect Prince Sifiso Zulu a director			
To approve the remuneration of the directors for the fourteen months ended 28 February, 2007			
To approve the remuneration payable to non-executive directors			
To authorise the directors to fix the remuneration of the auditors			
To approve the appointment of Deloitte & Touche as auditors			
Special Resolution No. 1 – Amendment of Articles of Association			
Special Resolution No. 2 – General authority to acquire own shares			
Ordinary Resolution No. 1 – Unissued shares placed in directors' control			
Ordinary Resolution No. 2 – General authority to issue shares for cash			
Ordinary Resolution No. 3 – Authority to execute requisite documentation			

(Indicate instruction to proxy by way of a cross in the space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this   day of   2007

Signature

Please read the notes on the reverse side hereof.

NOTES

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the spaces provided, with or without deleting "the Chairman of the meeting", but any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than the total number of shares than you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or his/her proxy is not obliged to use all the votes exercisable by the member or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by his/her proxy.

3. Holders of dematerialised shares must inform their CSDP or broker of whether or not they intend to attend the annual general meeting and obtain the necessary authorisation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting in person.

4. Forms of proxy must be received at the Company's registered office, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 (PO Box 6148, Durban, 4000) by not later than 09:00 on Tuesday, 17 July 2007.

5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the Chairman of the annual general meeting.

7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.

9. The Chairman of the annual general meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the chairman is satisfied as to the manner in which the member wishes to vote.

Certificated and "own name" registered dematerialised shareholders

If you are unable to attend the annual general meeting of Santova Logistics Limited to be held at 09:00 on Thursday, 19 July 2007 in the Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 and wish to be represented thereat, you must complete and return this form of proxy in accordance with the instructions contained herein and lodge it with, or post it to the company's registered office address, detailed in point 4 above, to be received by them by no later than 09:00 on Tuesday, 17 July 2007.

Dematerialised shareholders

If you hold dematerialised shares in Santova Logistics through a CSDP or broker and do not have an "own-name" registered dematerialised registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the annual general meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary authorisation to do so, or should you not wish to attend the annual general meeting in person, you must timeously provide your CSDP or broker with your voting instructions in order for the CSDP or broker to vote in accordance with your instructions at the annual general meeting.

Santova
Logistics Ltd

www.santova.com