

# **AUDITED ABRIDGED GROUP RESULTS**

Restated

for the year ended 29 February 2008

(Superceding the reviewed version released on 4 June 2008)

# **GROUP INCOME STATEMENT**

			Restated
		12 months to	14 months to
		29 February	28 February
		2008	2007
		R'000	R'000
Turnover		108 243	77 395
Gross billings		1 956 021	1 451 862
Cost of billings		1 847 778	1 374 467
Other income		3 954	792
Administrative expenses		88 502	61 496
Operating income		23 695	16 691
Depreciation and amortisation		2 563	1 638
Interest received		4 454	3 077
Finance costs		17 550	13 876
Profit before taxation		8 036	4 254
Income tax expense		1 965	1 649
Profit for the year/period  Attributable to:		6 071	2 605
Equity holders of the parent		6 026	2 625
Minority interests		45	(20)
Basic earnings per share	(cents)	0,45	0,24
Diluted earnings per share	(cents)	0,45	0,24
SUPPLEMENTARY INFORMATIO	N		
Reconciliation between earnings and headling	• •		
Profit attributable to equity holders of the parent	curinings	6 026	2 625
Profit on disposals of plant and equipment		(14)	(157)
Taxation effects		(14)	45
Headline earnings		6 016	2 513
	(000/.)		
Shares in issue	(000's)	1 366 788	1 122 682
Subscriptions awaiting allotment	(000's)	8 569	222 855
Held by share trust – total	(000's)	91 335	63 306
Sold to trust participants – ceded to trust	(000's)	45 968	52 551
Held by share trust – unsold	(000's)	45 367	10 755
Weighted average number of shares  Diluted number of shares	(000's)	1 335 522	1 091 394
	(000's)	1 335 522	1 091 394
Shares for net asset value calculation	(000's)	1 329 990	1 334 783
Performance per ordinary share	(	0.45	0.33
Basic headline earnings per share	(cents)	0,45	0,23
Diluted headline earnings per share	(cents)	0,45	0,23
Net asset value per share	(cents)	5,82	5,34
Tangible net asset value per share	(cents)	3,64	3,20

#### CONDENSED GROUP CASH FLOW STATEMENT

	12 months to 29 February 2008 R'000	Restated 14 months to 28 February 2007 R'000
Cash generated by operations before working capital changes Changes in working capital	23 570 8 174	16 417 (14 687)
Cash generated from operations Interest received Finance costs Taxation paid	31 744 4 454 (17 550) (1 824)	1 730 3 077 (13 876) (1 207)
Net cash flows from operating activities Net cash flows from investing activities Cash inflows on acquisition of subsidiaries Net cash flows from financing activities	16 824 (3 511) 1 001 (16 407)	(10 276) (1 851) 10 110 (10 087)
Net decrease in cash and cash equivalents Effects of exchange rate changes on cash and cash equivalents Cash and cash equivalents at beginning of the year/period Cash and cash equivalents at the end of the year/period	(2 093) 30 7 973 5 910	(12 104) (73) 20 150 7 973

# **GROUP STATEMENTS OF CHANGES IN EQUITY**

dicor Statements of Changes	Attributable to equity holders of the parent									
	Share capital	Share premium	Treasury share capital	Treasury share premium	Subscriptions awaiting allotment	Foreign currency translation reserve	Accumulated loss	Total	Minority interest	Restated Total equity
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balances at 31 December 2005 as previously reported	900	110 161	(51)	(3 319)	-	-	(76 652)	31 039	-	31 039
Effect of prior years' restatements:										
IAS 36/37 impairments and provisions	-	-	-	-	_	-	(13 084)	(13 084)	-	(13 084)
Related deferred taxation	-	-	-	-	-	-	2 026	2 026	-	2 026
Employee share scheme changes	-	(16)	39	2 515	-	-	16	2 554	_	2 554
Restated balances at 31 December 2005	900	110 145	(12)	(804)	-	-	(87 694)	22 535	-	22 535
Net profit for the period as restated	-	-	-	-	-	-	2 625	2 625	(20)	2 605
Net profit as previously reported Re-assessment of plant and equipment	-	-	-	- T	-	1 1-	4 073	4 073	(20)	4 053
under IAS16 and IFRS3	_	_	_	_	_	_	71	71	_	71
Providing for subsidiary at acquisition tax liability	_	_	_			_	427	427	_	427
IAS 36/37 impairments and provisions	_	_	_	_	100 m	_	(2 159)	(2 159)	_	(2 159)
Related deferred taxation	_	_	_	_		_	227	227		227
Employee share scheme as previously reported	_	55	_		_	_	_	55	_	55
Re-assessment of shares offered under IFRS 2	_	(55)	_	_		_	55	_	_	
Change in accounting for the employee share scheme	_	-	_	_	_	-	(96)	(96)	_	(96)
Related deferred taxation	_	_	_	_	_	_	27	27	_	27
Share capital movements for period as restated	223	23 015	1	(1)	22 928	_	- 11	46 166		46 166
Issue of shares as previously reported	223	41 915	_	- 1 - 1		-	-	42 138	-	42 138
Reclassification of vendor liability to equity	_	_	_		41 828	_	_	41 828		41 828
Re-assessment of purchase price of subsidiaries	_	(18 900)	-	_	(18 900)	_	-	(37 800)	- 1	(37 800)
Treasury shares as previously reported	_	_	(13)	(830)		-	-	(843)	- /	(843)
Restatement of treasury shares	_	_	14	829	-	-	-	843	-	843
Foreign currency translation adjustment	_	_	_	_	-	(3)	-	(3)		(3)
Minority interest acquired	_	_	_	_	- 1	_	_		19	19
Minority interest allocated against the parent	_	_	-	-	-		(1)	(1)	1	7 10007
Restated balances at 28 February 2007	1 123	133 160	(11)	(805)	22 928	(3)	(85 070)	71 322	_	71 322
Net profit for the year	_	_	-	-	_	-	6 026	6 026	45	6 071
Minority interest adjustment	_	_	_	_	_	_	_	_	(5)	(5)
Reversal of minority interest allocated against the parent	_	_	_	_	_	_	1	1	(1)	_
Issue of share capital	244	25 125	(25)	(2 974)	(21 643)	_	_	727		727
Foreign currency translation adjustment	_	_	_			44	_	44	_	44
Shares repurchased	_	-	(9)	(712)	-	-	-	(721)	-	(721)
Balances at 29 February 2008	1 367	158 285	(45)	(4 491)	1 285	41	(79 043)	77 399	39	77 438
-										

#### **GROUP BALANCE SHEET**

	29 February 2008	28 February 2007
	R'000	R'000
ASSETS		
Non-current assets	43 502	41 836
Plant and equipment	9 498	8 770
Intangible assets	29 029	28 612
Deferred taxation	4 975	4 454
Current assets	286 789	290 011
Trade receivables	263 110	273 673
Other receivables	13 855	4 464
Amounts owing from related parties	3 871	3 901
Financial asset Cash and cash equivalents	43 5 910	7 973
Cash and Cash equivalents	3 910	7 973
Total assets	330 291	331 847
EQUITY AND LIABILITIES		
Capital and reserves	77 438	71 322
Share capital and premium	156 401	156 395
Foreign currency translation reserve	41	(3)
Accumulated loss	(79 043)	(85 070)
Attributable to equity holders of the parent	77 399	71 322
Minority interest	39	_
Non-current liabilities	2 658	3 276
Interest-bearing borrowings	446	1 021
Long-term provision	2 212	2 255
Current liabilities	250 195	257 249
Trade and other payables	112 480	104 939
Current tax payable	940	278
Amounts owing to related parties	120	-
Current portion of interest-bearing borrowings	772	791
Financial liability	122 220	149.006
Short-term borrowings and overdraft Short-term provisions	133 330 2 553	148 096 3 120
The second contract of		
Total equity and liabilities	330 291	331 847

#### **CONDENSED GROUP SEGMENTAL ANALYSIS**

CONDENSED GROOF SEGMENTAL ANALISIS					
	Southern Africa	Far East	United Kingdom	Group	
	R'000	R'000	R'000	R'000	
2008 – GEOGRAPHICAL SEGMENT					
Turnover (external)	101 091	2 389	4 763	108 243	
Net profit/(loss) before interest and tax	21 267	1 184	(1 319)	21 132	
Net finance cost	(12 987)	(44)	(65)	(13 096)	
Income tax (expense)/credit	(2 206)	(213)	454	(1 965)	
Net profit/(loss)	6 074	927	(930)	6 071	
Total assets	319 243	3 625	7 423	330 291	
Total liabilities	244 406	2 720	5 727	252 853	
Depreciation and amortization	2 488	13	62	2 563	
Capital expenditure	3 268	3	410	3 681	
2007 – RESTATED GEOGRAPHICAL SEGM	ENT				
Turnover (external)	77 052	343	-	77 395	
Net profit/(loss) before interest and tax	15 118	(65)	-	15 053	
Net finance costs	(10 799)	-	-	(10 799)	
Income tax (expense)/credit	(1 649)	_	-	(1 649)	
Net profit/(loss)	2 670	(65)	-	2 605	
Total assets	330 424	1 423	-	331 847	
Total liabilities	259 029	1 496	-	260 525	
Depreciation and amortisation	1 636	2	-	1 638	
Capital expenditure	2 763	35	_	2 798	
	Freigh	t forwarding			
Special Control of the Control of th	77	and clearing	Insurance	Group	
1930		R'000	R'000	R'000	
2008 – BUSINESS SEGMENT					
Net profit		5 530	541	6 071	
Total assets		326 098	4 193	330 291	
Total liabilities		251 775	1 078	252 853	
2007 – RESTATED BUSINESS SEGMENT					
Net profit/(loss)		2 616	(11)	2 605	
Total assets		331 271	576	331 847	

### **CONDENSED PRIOR PERIOD ADJUSTMENTS NOTE**

As	previously	Employee	IAS 36/37			-
	reported	share	Impairments	IFRS 3 and		Restated
2	8 February	scheme	and	IAS 16	Reclass-	28 February
	2007	changes	provisions	changes	ification	2007
	R'000	R'000	R'000	R'000	R'000	R'000
Balance sheet effects			10-75			140,11
Plant and equipment	8 407	-	1.00	725	(362)	8 770
Intangible assets	66 136	-	1 -	(37 886)	362	28 612
Loans receivable	504	-	1 -	256.11.	(504)	-
Deferred taxation	2 315	27	2 322	(210)	-	4 454
Trade receivables	279 085	-	(5 314)	emetili i e	(98)	273 673
Other receivables	7 505	(96)	(3 043)		98	4 464
Amounts owing from						
related parties	-	3 397	-	1:40A EX	504	3 901
Cash and cash equivalents	9 438	-	(1 465)	100	-	7 973
Share capital and premium	149 041	3 326	-	4 028	-	156 395
Accumulated loss prior years	(76 653)	16	(11 058)	-	-	(87 695)
Profit for the period	4 073	(14)	(1 863)	429	-	2 625
Amounts owing to related parties	41 828	-	-	(41 828)	-	-
Trade and other payables	99 518	-	5 421	-	-	104 939
Income statement effects						
Administrative expenses	59 399	(62)	2 159	-	-	61 496
Depreciation and amortisation	1 709	-	-	(71)	1 - 3	1 638
Interest received	3 180	(103)	-	-	-	3 077
Income tax expense	2 330	(27)	(296)	(358)	-	1 649

#### **COMMENTARY**

**GROUP PROFILE** 

Santova Logistics Limited and its subsidiary companies "Santova"/"Group", operating out of South Africa, the United Kingdom, Hong Kong and China, provide integrated "end-to-end" logistics solutions for importers/ exporters and consumers.

#### CHANGES IN THE GROUP

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The Group acquired Mogal International Limited "Mogal", which operates out of the United Kingdom, with effect from 13 March 2007. The purchase consideration of R1 984 174 comprises R654 272 worth of goodwill and net assets acquired to the value of R1 329 902 made up of plant and equipment; accounts receivable; other current assets; cash and cash equivalents; and trade and other payables. The contribution of the Mogal operation to the Group's results and net assets is reflected in the segmental report which forms part of these abridged results.

Following the acquisition of Impson Logistics (Pty) Ltd "Impson" during the previous financial year, significant progress has been made in rationalising the South African branch network and standardising operating procedures and accounting policies.

As part of the rationalisation, the Group has appointed a single audit firm to all Group operations, except for the newly acquired Mogal.

#### FINANCIAL REPORTING AND ACCOUNTING POLICY CHANGES

These abridged Group results reflect certain changes to the previously reported financial information of the Group for the 14 month period to 28 February 2007 and the interim information for the six months to 31 August 2007.

These changes arise in the main from an assessment undertaken by the directors of the application of existing and revised accounting standards in the following areas (the values are reflected in the "condensed prior period adjustments note" in the same order as listed below):

- 1. changing the basis of accounting for the employee share purchase scher
- implementing consistent provisioning and impairment policies across the Group;
- re-assessing the fair values of the businesses of the recently acquired subsidiary companies, as well as the valuation placed on the Santova shares issued and issuable to the vendors of those businesses; and 4. making disclosure changes to achieve compliance with new and revised International Financial Reporting

The above are discussed further in note 28 of the annual financial statements contained within the 2008

The rationalisation of the Santova operations highlighted the need to standardise the processes for providing for possible impairments and also crystallised a significant core of long overdue amounts in the accounts receivable balances of the old "Spectrum" businesses. The standardisation of accounting policies across Santova has resulted in increased provisions to reflect possible impairments in accounts receivable. Where appropriate, the results and balances in prior periods have been restated.

# BASIS OF PREPARATION

443 260 525

Except for the differences highlighted above, the accounting policies are consistent with those applied in the financial statements for the 14 months ended 28 February 2007.

The financial information has been prepared using accounting policies that comply with International Financial Reporting Standards. The Group has adopted IFRS 7 Financial Instruments: Disclosures. This is a disclosure standard which has no impact on profit, loss or equity for the year.

These abridged Group results comply with International Accounting Standard 34 - Interim Financial Reporting, as well as with Schedule 4 of the South African Companies Act, 1973, and the disclosure requirements of the JSE Listings Requirements.

# **OVERVIEW OF 2008 PERFORMANCE**

The Group's performance as reflected in these abridged results, which includes the cost of the Durban and Head Office move in early March 2007, shows that good progress is being made in achieving the strategic growth objectives of the Group.

Net asset value has increased from 5,34 cents per share to 5,82 cents, an 8,9% increase; whilst the tangible net asset value has moved from 3,20 cents per share to 3,64 cents, a 13,7% increase

The condensed Group cash flow statement reflects borrowings repaid of R16,4 million (2007: R10,1 million) despite the increased trade undertaken by the Group.

During the year, further shares were issued as follows:

- 4 818 750 shares to the vendors of Mogal on 13 March 2007;
   210 000 000 shares to the vendors of Impson on 18 June 2007;
- 4 286 490 shares to the vendors of Leading Edge Insurance Brokers (Pty) Ltd on 18 June 2007; and
- 25 000 000 shares to the Share Trust on 30 September 2007. OUTLOOK FOR 2008/9

We move forward in the year ahead determined to optimise costs and service levels even further, and to ensure that the Group structure is running optimally for the new business that is to be introduced.

AUDITED BY INDEPENDENT AUDITORS The Company's independent auditors, Deloitte & Touche, have issued unmodified opinions on the 2008 Company and Group annual financial statements and on these abridged Group results.

ailable for inspection at the Company's registered office during o OTHER MATTERS

The 2008 Annual Report, which was approved on 20 August 2008, will be issued on 30 August 2008.

DIVIDENDS In line with the Company's policy, no dividend has been declared for the year.

For and on behalf of the board,

**GH Gerber** Chief Executive Officer Group Financial Director 28 August 2008

REGISTERED OFFICE AND POSTAL ADDRESS

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**DESIGNATED ADVISOR** 

Deloitte & Touche

**EXECUTIVE DIRECTORS** GH Gerber (CEO), SJ Chisholm (GFD), S Donner, MF Impson, GM Knight, TR Mezher

INDEPENDENT NON-EXECUTIVE DIRECTORS

JA Lupton, ACIS

