

Condensed Consolidated Audited Annual Financial Statements for the year ended 31 May 2013

OneLogix Group Limited | Incorporated in the Republic of South Africa | (Registration number 1998/004519/06)
JSE share code: OLG | ISIN Code: ZAE00026399 | ("OneLogix" or "the company" or "the group")

Highlights	Revenue ↑ 20% to +R1 billion	Operating profit (excluding profit on sale of assets) ↑ 10%	HEPS from continuing operations ↑ 17%	HEPS ↑ 14%	NAV per share ↑ 10%	Total distribution for the year 9,5 cents per share	Successful transition to JSE Main Board
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Condensed Consolidated Statement of Comprehensive Income

		Audited year ended 31 May 2013 R'000	Audited year ended 31 May 2012 R'000
	%		
Continuing operations			
Revenue	20	1 040 301	864 097
Operating and administration costs	22	(896 456)	(735 849)
Depreciation and amortisation	17	(51 054)	(43 801)
(Loss)/profit on disposal of property, plant and equipment	>100	(255)	5 973
Operating profit	2	92 536	90 420
Share of profits from associate	>100	4 814	-
Finance income	(5)	2 423	2 553
Finance costs	35	(15 494)	(11 470)
Profit before taxation	3	84 279	81 503
Taxation	(6)	(22 237)	(23 750)
Profit from continuing operations	7	62 042	57 753
Profit from discontinued operations	>100	8 762	2 103
Profit for the year	18	70 804	59 856
Other comprehensive income			
Movement in foreign currency translation reserve		161	165
Deferred tax increase due to CGT inclusion rate increase		-	(760)
Total comprehensive income for the year	20	70 965	59 261
Profit attributable to:			
- Non-controlling interest	(13)	5 316	6 127
- Owners of the parent	22	65 488	53 729
	18	70 804	59 856
Other comprehensive income attributable to:			
- Non-controlling interest		-	-
- Owners of the parent		161	(595)
		161	(595)
Total comprehensive income attributable to:			
- Non-controlling interest	(13)	5 316	6 127
- Owners of the parent	24	65 649	53 134
	20	70 965	59 261
Total comprehensive income attributable to owners of the parent arises from:			
- Continuing operations	11	56 941	51 501
- Discontinued operations	>100	8 708	1 633
	24	65 649	53 134
Number of shares in issue ('000):			
- Total issued less treasury shares		225 658	225 658
- Weighted		225 658	219 355
- Diluted		231 258	223 715
Basic and headline earnings per share (cents)			
Basic earnings per share (cents)	18	29,0	24,5
Continuing operations	5	25,1	23,8
Discontinuing operations	>100	3,9	0,7
Diluted basic earnings per share (cents)	18	28,3	24,0
Continuing operations	5	24,5	23,3
Discontinuing operations	>100	3,8	0,7
Headline earnings per share (cents)	14	25,1	22,1
Continuing operations	17	25,0	21,4
Discontinuing operations	(86)	0,1	0,7
Diluted headline earnings per share (cents)	13	24,5	21,7
Continuing operations	16	24,4	21,0
Discontinuing operations	(86)	0,1	0,7
Reconciliation between basic and headline earnings			
Basic earnings	22	65 488	53 729
Loss/(profit) on disposal of property, plant and equipment less taxation and non-controlling interests		22	(5 159)
Insurance proceeds less taxation and non-controlling interests		(438)	-
Profit on disposal of discontinued operation less taxation		(8 495)	-
Headline earnings	16	56 577	48 570

Condensed Consolidated Statement of Cash Flows

		Audited year ended 31 May 2013 R'000	Restated audited year ended 31 May 2012 R'000
	%		
Net cash generated from operations	(18)	97 431	119 074
Continuing operations		97 489	116 140
Discontinuing operations		(58)	2 934
Net cash flows from investing activities	>100	(88 544)	4 646
Continuing operations		(88 482)	5 108
Discontinuing operations		(62)	(462)
Net cash flows from financing activities	(1)	(63 592)	(64 130)
Continuing operations		(63 517)	(64 195)
Discontinuing operations		(75)	65
Net (decrease)/increase in cash resources		(54 705)	59 590
Cash resources at beginning of year		102 494	42 791
Exchange gain on cash resources		110	113
Cash resources at end of year	(53)	47 899	102 494

Condensed Consolidated Statement of Changes in Equity

	Share capital R'000	Share premium R'000	Treasury shares R'000	Retained income R'000	Revaluation reserve R'000	Other reserves R'000	Share-based compensation reserve R'000	Foreign currency translation reserve R'000	Transactions with non-controlling interests R'000	Non-controlling interests R'000	Total R'000
At 1 June 2011 – audited	2 021	20 227	(264)	167 153	11 067	52	-	(30)	-	30 046	230 272
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(3 265)	(3 265)
Capital distributions and dividends to shareholders	-	(15 526)	-	(4 169)	-	-	-	-	-	-	(19 695)
Non-controlling interest acquired	-	-	-	-	-	-	-	(1 501)	-	1	(1 500)
Conversion of shareholding in BEE consortium	297	41 859	(8 431)	-	2 951	-	4 395	(8)	(9 643)	(27 017)	4 403
Share issue expenses	-	(444)	-	-	-	-	-	-	-	-	(444)
Credit in respect of share-based payment	-	-	-	-	-	-	1 314	-	-	-	1 314
General share repurchase	(2)	(319)	-	-	-	-	-	-	-	-	(321)
Treasury shares disposed	-	-	264	-	-	101	-	-	-	-	365
Profit for the year	-	-	-	53 729	-	-	-	-	-	6 127	59 856
Other comprehensive income	-	-	-	-	(760)	-	-	165	-	-	(595)
At 31 May 2012 – audited	2 316	45 797	(8 431)	216 713	13 258	153	5 709	127	(11 144)	5 892	270 390
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(3 789)	(3 789)
Capital distributions and dividends to shareholders	-	(10 422)	-	(10 422)	-	-	-	-	-	-	(20 844)
Non-controlling interest acquired	-	-	-	-	-	-	-	-	-	7 363	7 363
Transactions with non-controlling interests	-	-	-	-	-	-	-	(18 608)	-	2 402	(16 206)
Share-based compensation reserve movement	-	-	-	-	-	-	1 577	-	-	-	1 577
Profit for the year	-	-	-	65 488	-	-	-	-	-	5 316	70 804
Other comprehensive income	-	-	-	-	-	-	-	161	-	-	161
At 31 May 2013 – audited	2 316	35 375	(8 431)	271 779	13 258	153	7 286	288	(29 752)	17 184	309 456

Directors
SM Pityana (Chairman)*, AB Ally* (Alternate: DA Hirschowitz), NJ Bester, AC Brooking*, GM Glass (FD), AJ Grant**, IK Lourens (CEO), CV McCulloch (COO), LJ Sennelo**
* Non-executive # Independent

Registered office
46 Tulbagh Road, Pomona, Kempton Park (Postnet Suite 10, Private Bag X27, Kempton Park, 1620)

Company Secretary
Probitry Business Services (Pty) Ltd, Third Floor, The Mall Offices, 11 Cradock Avenue, Rosebank, 2196

Transfer secretaries
Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)

Sponsor:
JAVACAPITAL

Condensed Consolidated Statement of Financial Position

		Audited at 31 May 2013 R'000	Audited at 31 May 2012 R'000
	%		
ASSETS			
Non-current assets		555 335	368 190
Property, plant and equipment		446 418	327 555
Intangible assets		66 289	31 982
Investment in associate		33 935	-
Loans and receivables		7 219	6 498
Deferred taxation		1 474	2 155
Current assets		219 345	238 406
Inventories		10 090	14 759
Trade and other receivables		148 994	119 210
Taxation		5 512	1 943
Cash resources		54 749	102 494
Total assets		774 680	606 596
EQUITY AND LIABILITIES			
Equity		309 456	270 390
Ordinary shareholders' funds		292 272	264 498
Non-controlling interests		17 184	5 892
Liabilities			
Non-current liabilities		201 327	149 277
Interest-bearing borrowings		149 722	122 431
Deferred taxation		51 605	26 846
Current liabilities		263 897	186 929
Trade and other payables		156 088	136 211
Interest-bearing borrowings		74 137	50 017
Vendor liability		9 000	-
Non-controlling interest put option		16 206	-
Taxation		1 616	701
Bank overdrafts		6 850	-
Total equity and liabilities		774 680	606 596
Net asset value per share (cents)	10	129,5	117,2
Net tangible asset value per share (cents)	(3)	100,1	103,0
Cash resources per share (cents)	(46)	24,3	45,4
SEGMENTAL ANALYSIS			
Revenue			
Specialised Transport	22	936 967	768 424
Retail	5	30 188	28 648
Reportable segments	21	967 155	797 072
Other	9	73 146	67 025
	20	1 040 301	864 097
Profit before tax			
Specialised Transport	6	99 458	93 422
Retail	13	12 148	10 788
Reportable segments	7	111 606	104 210
Other	(10)	4 599	5 138
Corporate items	25	(23 669)	(18 928)
	2	92 536	90 420
Unallocated:			
Share of profits from associate	>100	4 814	-
Finance income	(5)	2 423	2 553
Finance costs	35	(15 494)	(11 470)
	3	84 279	81 503
Total assets			
Specialised Transport	43	686 539	480 134
Retail	57	26 261	16 723
Reportable segments	43	712 800	496 857
Other	(56)	17 146	39 202
Corporate items	(94)	3 813	66 439
Investment in associate	>100	33 935	-
Unallocated: taxation and deferred taxation	70	6 986	4 098
	28	774 680	606 596
Total liabilities			
Specialised Transport	30	339 856	261 993
Retail	82	15 857	8 712
Reportable segments	31	355 713	270 705
Other	(61)	10 032	25 575
Corporate items	274	46 258	12 379
Unallocated: taxation and deferred taxation	93	53 221	27 547
	38	465 224	336 206

The group has authorised capital expenditure over the next 12 months of R76,4 million. R54,4 million is already committed.

Commitments
Operating lease commitments (not exceeding five years) **67 840** 26 060

Restatement of cash flows
Net cash flows from investing activities and net cash flows from financing activities for the year ended 31 May 2012 have been restated.

Property, plant and equipment additions previously included acquisitions of assets that were financed by instalment sale agreements and mortgage bonds. In terms of IAS 7, Statement of cash flows, only cash payments for assets acquired should be included and not those financed by way of finance lease or acquired on credit.

Additions financed by way of instalment sale agreements and mortgage bonds have been excluded from the restated net cash flows from investing activities line item.

Accordingly, borrowings raised included the gross amounts of new instalment sale agreements and mortgage bonds entered into during the year and these have been excluded from the restated net cash flow from financing activities line item.

The previously reported and restated line items are shown in the table below:

	As previously reported R'000	Adjustment R'000	As restated R'000
2012			
Net cash flows from investing activities	(91 683)	96 329	4 646
Net cash flows from financing activities	32 199	(96 329)	(64 130)

The restatement had no impact on net movement in cash resources, nor the balance thereof at year-end.

Comments

OneLogix's proven consistency in performance was again reaffirmed by the results achieved for the year ended 31 May 2013 ("the year"). For the first time the group exceeded the R1 billion revenue mark. Continued growth was primarily derived organically and boosted by two acquisitions during the second half of the year.

Basis of presentation
The accounting policies and method of measurement and recognition applied in the preparation of the condensed consolidated audited annual financial statements are consistent with those applied in the audited annual financial statements for the previous year ended 31 May 2012.

The condensed consolidated audited annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in terms of the disclosure requirements set out in International Accounting Standards ("IAS") 34, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act, 2008. Financial Director Geoff Glass CA(SA) was responsible for preparing the consolidated annual financial statements.

The condensed consolidated annual financial statements have been audited by the company's auditors, PricewaterhouseCoopers Inc, and their unqualified audit opinion, along with the consolidated annual financial statements which were approved by the board of directors on 26 August 2013, are available for inspection at the registered office of OneLogix. The condensed consolidated annual financial statements are available to be viewed on the company's website www.onelogix.com.

Review of operations
The existing businesses within the group performed satisfactorily and once again delivered solid organic growth.

During the year two sizeable acquisitions were concluded. These were the acquisitions in December 2012 of a 60% stake in RSA Tankers Proprietary Limited, trading as United Bulk ("United Bulk"), a leading bulk transporter of liquids – food grade products, hazardous materials and petroleum gas – and 40% of Drive Report Proprietary Limited ("Drive Report"), a driver behaviour management company (announced on 5 December 2012 and 21 December 2012, respectively). Both acquisitions have since been successfully integrated as earnings accretive to the group.

Specialised Transport
Vehicle Delivery Services ("VDS"), now a mature business, continued to defend its market share through recognised exceptional customer service. Despite substantial margin pressure and mindful of future sustainability, the company continued to invest in optimising its people, fleet, IT infrastructure and general facilities. Strong and motivated management continues to focus on improving operational efficiencies and investigating new opportunities given below-inflation cost recovery from customers.

Commercial Vehicle Delivery Services ("CVDS") continued to capture growing market share, also on the back of exceptional customer service. Investment in support infrastructure has positioned the business for future market gains.

The newly invigorated OneLogix Projex ("Projex"), is the result of a successful amalgamation of RFB Logistics Proprietary Limited and the original OneLogix Projex, which occurred during the year. A now significant player in the Durban Harbour freight logistics segment, Projex has the capability to project manage the movement of large shipments of abnormal or general freight within tight deadlines.

The newly acquired United Bulk is a significant competitor in the liquid bulk logistics market. A strong and motivated management team, which shares a common culture with the group, is well poised to further grow market share.

Retail
PostNet, the group's most mature business, continues to deliver reliable high operating margins and regular annuity income. Notwithstanding its maturity, PostNet continues to evaluate new opportunities for growth and diversification.

Other – Logistics Services
The remaining businesses are involved in providing services to the logistics industry. These businesses do not meet the recognition criteria of a separately reportable segment and include:

Atlas Panelbeaters, which has responded well to the remedial actions put in place earlier in the year, to the extent that its performance in the latter half of the year largely exceeded expectations.

QSA, acquired effective 1 June 2012, owns transport-specific accounting software critical to the group's operations. Presently in an investment and development phase, it is a small contributor to group earnings as expected. The split within total intangible assets of R1,4 million has been finalised with R0,3 million relating to goodwill and R1,1 million to other intangible assets.