



Quarterly Newsletter for Friends of Golden Arrow Bus Services

INTERCHANGE

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Page 2

**JSE listing
a new era for
Golden Arrow**

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(Pty) Ltd/(Edms) Bpk**
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Golden Arrow's Mission:

To operate safe, reliable passenger transport services designed to meet the needs of our customers and by applying sound business principles, to create a secure future for the company and its people.

Golden Arrow se Missie:

Om veilige, betroubare passasiers-vervoerdienste te lewer, gerig op die behoeftes van ons klante en, deur gesonde sakebeginsels toe te pas, 'n seker toekoms vir die maatskappy en sy mense te skep.

Umqophiso kaGolden Arrow:

Ukufaka iinkonzo zothutho luka wonkewonke ezikhuselekileyo kunye nezithembekileyo kwaye nezilungiselelwe ukukhawulelana neemfuno zabakhweli bebhasi zalenkampani oku kufezekiswa ngokusebenzisa imithethosiseko yoshishino ephilileyo, nokwakha ikamva elikhuselekileyo lwalenkampani kunye nabantu bayo.

JSE LISTING A NEW ERA FOR GOLDEN ARROW

Hosken Passenger Logistics and Rail Proprietary Limited (HPL&R) has been granted a listing on the Johannesburg Stock Exchange (JSE) main Board as of 24 April 2018.

HPL&R through its group structure effectively holds 100% of Golden Arrow Bus Services (GABS), its major subsidiary. In turn, GABS holds 50.06% of the issued share capital of Table Bay Area Rapid Transport Proprietary Limited, 33.33% of Sibanye Bus Services Proprietary Limited, 100% of Hollyberry Props 12 Proprietary Limited and 33.33% of the N2 Express Joint Venture Proprietary Limited. The Company also owns 76% of Eljosa Travel and Tours Proprietary Limited.



The Company's current portfolio is rooted in the commuter bus and luxury coach segments. Through its major subsidiary Golden Arrow Bus Services, with over 157 years of proven operational expertise, the Company aims to harness the combined institutional knowledge and skill sets to pursue further prospects in bus and coach operations and potential inroads into freight, rail and logistics operations.

According to HPL&R Chief Executive Officer Francois Meyer, the listing complements the Company's future growth outlook. "With the positive business sentiment coming through in the market, this is an exciting time to be in the mobility and logistics sector and HPL&R is ideally placed to diversify its interests and grow within the sector. We also have a strong management team with in-depth knowledge of the industry who are determined and committed to our strategy," he says.

Board Chairperson Yunis Shaik asserts that: "We believe that the listing will give our management team the platform to effectively utilise its existing competencies and systems, on a broader scale, in order to give expression to our strategy and set goals".

Hosken Consolidated Investments Limited (HCI) effectively holds 73.55% of HPL&R and continues to be the major shareholder of the HPL&R Group.

MOTIVATION FOR THE LISTING

Listing HPL&R on the JSE presents a number of opportunities which will enhance future prospects. These include:

- Providing the Company with access to equity and debt capital markets in order to facilitate growth;
- Enabling the Company to raise funds from its shareholders for the planned expansion (acquisitive and organic) of the Company in a listed environment;
- Enhanced deal-making ability, as listed shares can be more readily utilised for the purposes of acquisitions;
- The provision of additional credibility for the Company to its clients and debt funders;
- The provision of shareholders with a liquid, tradable security within a regulated environment, with a market determined share price; and
- An opportunity for employees of the Company and members of the communities in which it operates, as well as the general public to acquire an equity stake in the Company following the Listing, and thereby share in its potential success in future.

MEET THE BOARD

YUNIS SHAIK

NON-EXECUTIVE CHAIRMAN B. PROC

Shaik was an attorney of the High Court and in private practice prior to joining HCI in 2014. He is a former Deputy General Secretary of the Southern African Clothing and Textile Workers Union (SACTWU) and a director of Workers' College. He has served as Senior Commissioner of the Commission for Conciliation, Mediation and Arbitration (CCMA) in KwaZulu Natal. He was appointed to the HCI board in August 2005.

KEVIN GOVENDER

DEPUTY CHAIRMAN B.COMM (HONS), B.COMPT (HONS)

Govender is the financial director of HCI. He joined the HCI group in 1997 and held the positions of company secretary and chief financial officer from 2001. He holds directorships in several of HCI subsidiary companies and is a trustee of the HCI Foundation. He was appointed to the HCI board as an executive director in June 2009.

FRANCOIS MEYER

CHIEF EXECUTIVE OFFICER DIP TRANS, B.COMM, MBA

Meyer has been working in the scheduled bus operations industry for the past 30 years and started his career in transport at United Transport's Western Bus Lines, in the North West, in 1985. He joined Golden Arrow Bus

Services (GABS) in 1991 as project manager overseeing the Company's Mossgas contract. He was appointed operations manager in 1993, assumed the position of general manager in 2004 and became chief executive officer in 2015. He is a Director of the South African Bus Operators Association (SABOA).

MARK WILKIN

CHIEF FINANCIAL OFFICER B.COMM, CA (SA)

Wilkin worked for Deloitte Haskins and Sells in London, United Kingdom, from 1980 to 1982. He joined City Tramways in 1983 and was appointed financial director in 1988. In 1992 he was part of the consortium formed by the management team to buy the business of City Tramways from TGH Limited (formally Tollgate Holdings Limited) and formed GABS, where he has been Financial Director since 1992.

LOGANATHAN GOVENDER

INDEPENDENT NON-EXECUTIVE DIRECTOR BCOMM, CTA, CA (SA)

Govender is the sole proprietor of the auditing firm, Logie Govender & Co which is the oldest Black auditing practice in South Africa. He has over 40 years' experience as a practising auditor. He also serves on the board of E Media Holdings Limited.

NAZIEMA BEGUM JAPPIE

INDEPENDENT NON-EXECUTIVE DIRECTOR BSOCSC (HONS), MSOCSC, PGDIP (HE)

Jappie brings with her a distinguished and varied background in fields including education, labour law, conflict resolution and performance and project management. She has served as SACTWU's national education officer, Executive Director at the Durban University of Technology and Dean of Students at the BSocSc (Hons), MSocSc (specialising in Industrial & labour studies, PGDip (HE) & Honorary Consul for the Republic of Maldives University of the Witwatersrand. She is currently employed as Director for the Centre for Educational Testing for Access & Placement at University of Cape Town.

FAITH KOTSI MAHLOMA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Kotsi Mahloma served as a senior shop steward at Gregory knitting mills from 1982 until 2001 and was a COSATU executive member from 1987 to 2001. She was the Vice president of SACTWU from 1987 until 2001, executive member of COSATU from 1987 to 2001 and NEDLAC executive member from 1997 to 2001. She has served as a director of Zenzelani Clothing (Pty) Ltd, Municipality Public Account Committee (MPAC) and the Germiston Pension Fund Committee (GPFC). She also served as a ward councillor from 2006 to 2016.

HCI Supplier Club opens up doors to SME's

In 2016, the HCI Group launched a Supplier Club for emerging enterprises as part of its strategy to improve its ratings in the Supplier and Enterprise Development elements of the scorecard and to bolster its established credentials as the leading B-BBEE entity on the Johannesburg Stock Exchange (JSE).



FORGING AHEAD:
(From left to right) Ronald Maliwa (Gilbert Plumbing),
Riedewaan Davids (GABS Estate Manager) and
Nazme Knoll (Montrose Trading)

The aim of the HCI Supplier Club is to provide support and benefits to qualifying small, medium and micro enterprises who are suppliers to the HCI Group and its subsidiaries. To qualify for registration as a member of the Supplier Club, businesses must be registered and have a tax number; have an annual turnover of less than R50 million per year and be able to provide verified evidence of its BEE status and ownership.

The benefits associated with membership include discounts and favourable transactional terms with the HCI group's diverse subsidiaries, participation in training workshops, attendance at networking events and opportunities to present and exhibit at supplier showcase proceedings that are designed to expose small, medium and micro enterprises to new markets.

On the 27th March, the HCI Supplier Club hosted a Supplier Development Day at the Southern Sun Newlands Hotel. The main focus of this year's Supplier Day was on property-related services, especially security, cleaning, plumbing, electrical and general maintenance.

GABS presented two suppliers in these categories on the recommendation of Estate Manager, Riedewaan Davids, to participate in the proceedings of the day. Gilbert Plumbing, a company that performs ongoing plumbing maintenance at all of the GABS facilities was represented by the owner, Ronald Maliwa, and proprietor, Nazme Knoll represented Montrose Trading which performs general building maintenance at all GABS premises.

Their participation in the Supplier Day reaped immediate benefits as the

Tsogo Sun Hotel chain and the HCI Properties division expressed a firm interest in procuring their services after assessing their profiles and heeding the testimony of the GABS Estate Manager. Currently GABS has ten of its emerging suppliers registered as members of the HCI Supplier Club and the intention is to expand this from the approximately 48% of its total contributing suppliers that meet the requirements for membership.

"It is heartening to see the interest that has been expressed in our two suppliers, this is a vindication of the excellent relations we have with our supplier corps, especially those that are emergent, and being exposed to the HCI Supplier Club will undoubtedly boost the organic growth of their businesses," said Estate Manager Riedewaan Davids.

GABS and George Washington University forges close partnership

Golden Arrow Bus Services (GABS) and the renowned George Washington University (GWU) in the U.S. have entered into an unprecedented partnership through availing academic residencies for candidates registered in the university's acclaimed World Executive MBA Program.

The residencies are modelled to provide students with practical consultancy experience through engagement in projects in fields such as finance, marketing, product development, general management, human resources or IT/technology. Cyber-security and big data analytics in particular are two areas in which the GWU business school has acquired and demonstrated significant proficiencies.

These internships have proven to be an effective means of soliciting valuable ideas and solutions from a diverse group of students with considerable experience without the burden of exorbitant consultancy fees and onerous contractual terms and conditions.

Three projects have been identified in the GABS' operations and engineering divisions. The projects are focused on enhancing operational efficiencies and improving customer relationship management, both of which are critical success factors in the GABS value proposition.

1. The first project is aimed at determining the relative efficiencies of routes and small business unit areas aligned to depots. The objective of this project is to subject the depots and respective corridors which emanate from these to rigorous scrutiny through an analysis of all

of the cost drivers and revenue streams.

Such analyses should highlight the relative efficiencies of depots and corridors and provide an empirical basis for the proper allocation of resources to maximise sustainable operating margins at the micro levels of the company's operational grid.

2. The second project is in the engineering division and is designed to develop an asset replacement model to calculate the age to replace buses as a means to minimise costs. GABS operates a fleet of approximately 1 200 buses. Due to the high demand and rigorous operating schedule, the recapitalisation of the bus fleet is critical to fulfilling the strategic mission of the Company.

The costs of maintenance increases exponentially the longer the bus is in service therefore the timing of replacing buses when the cost of maintenance starts to erode the operating margins is key to optimising the useful phase of the asset's operational tenure and disposing of it when the cost of maintenance becomes retrogressive.

3. The third project entails the construction of a digital user-friendly timetable which will comprise a range of applications which could be accessed by current and potential users of GABS services when planning their commutes.

The applications are envisioned to be digitally based, covering all contemporary mediums (e.g. web, mobile etc.) and rudimentary with respect to ease of access and navigation. This should enhance the commuting experience of GABS passengers in an era where

on-demand opportunities and other competitive travel decisions abound.

Project teams and GABS project co-ordinators are scheduled to meet twice a month (over Skype) during the February-May period, followed by a 10-day residency between late May and early June. Student teams will present a draft report of their project work at the end of the residency in early June and a final written project report incorporating the feedback received during residency will be submitted in early July.

"Since this is an Executive MBA group, all students are currently working in private and government companies in senior positions, and have extensive experience in their own fields. This prior experience would usually provide creative and unorthodox ideas in the identified project areas and will undoubtedly add value to improving efficiencies in the GABS operating systems," asserts the GWU Course Co-ordinator, Prof Abdullah Akyuz.

"We are looking forward to the collaboration with the MBA candidates from one of the leading academic institutions in the U.S. as it will provide mutually beneficial spinoffs and provide a platform for continued co-operation," noted Chief Executive Officer Francois Meyer.

**THE GEORGE
WASHINGTON
UNIVERSITY**

WASHINGTON, DC



PROTEAS IN THE MAKING:
Children from Mitchells Plain were given a chance to participate in a mini cricket festival thanks to sponsored transport

Supporting our future cricket stars

Golden Arrow believes strongly in playing its part to provide social upliftment in the communities which it serves. We were therefore happy to assist when approached by the JP21 Project to assist with transport for rising cricket stars from Mitchells Plain and surrounds.

The JP21 Project is the brainchild of beloved South African cricketer, JP Duminy, and focuses on creating a love for cricket from a young age.

GABS assisted the Project by providing transport for 200 children to a provincial mini cricket festival held at Newlands on 2 February 2018. According to Corporate Affairs and Human Resources Executive, John Dammert, it was a joy to see young children from the Cape Flats embracing sport from such a young age. "Sport plays an invaluable role in helping to create well-rounded adults and GABS recognises and shares the JP21 Project's commitment to uplifting youth by igniting a passion for cricket," says Dammert.

Mobile ticketing systems go solar powered

As part of the Company's ongoing drive towards sustainable technology use, a project for solar powered mobile ticketing has been piloted.

Current mobile ticketing systems use the vehicle's existing alternator charging system to charge an extra battery. These batteries sometimes last only a month before replacement is necessary whereas the solar-powered system has a projected 10 year lifespan.

The power output is enough to comfortably charge two ticketing machines and two LED lights and the Lithium Ion Phosphate battery ensures that generated energy is instantly available and constant until almost drained. The status of the battery is easily monitored using an app.

Radio Department Manager, Deon Scheepers, says that the project has been so successful that the system will shortly be rolled out to selected remote repeater sites. "These repeater sites are essential in linking 400 radio units across the metropole and the success of the mobile ticketing system has inspired the installation at these sites," he says. This is particularly important due to the negative impact of intermittent power failures at the sites.

Company Engineer, Gideon Neethling, says that the switch to sustainable energy is not just about ticking boxes but that it offers practical solutions to a range of issues associated with other power forms. "Solar power is not only an ethical power source but it is becoming increasingly clear that it is in fact preferable to traditional energy sources in a number of applications," he says.

HPL&R Financial Manager Appointed

Debbie Vlahos joined the Company as Financial Manager for Hosken Passenger Logistics and Rail (HPL&R) in July 2017. She qualified as a chartered accountant in 2007 after completing her articles with Pricewaterhouse Coopers in Cape Town. Her undergraduate degree was a Bachelor in Business Science after which she completed her honours in finance at UCT.

The challenges associated with her current position are mostly related to being part of a new industry and having to learn all of the ins and outs of the public transport space. She has also had

her hands full with the approaching Johannesburg Stock Exchange (JSE) listing of HPL&R. "Listing on the JSE requires extreme focus and attention to detail but I have enjoyed each step of the process and to see it all coming together has been incredibly rewarding," she says.

Vlahos describes herself as hard working and as someone who always tries to take ownership of tasks so that she can see it through from start to finish. "Although I can be a hard task master at times, I hope my fellow staff members also feel that I am approachable." She is married to Greg and they live in Protea Valley with their two children; Anastasia (3) and Zachary (2).



APPOINTMENT:
Debbie Vlahos has been appointed as Financial Manager for Hosken Passenger Logistics and Rail

Whistleblowing **update**



In an effort to stamp out fraud, corruption and unethical practices GABS (through its parent company HCI) has secured the services of an independent information gathering company, to whom employees, contractors, suppliers, customers, and the

public can report illicit activity, without fear of victimisation.

All contact is completely confidential and the Whistleblowing Hotline is available 24/7 so that individuals are able to report their concerns at any time.

The Hotline can be used to report a number of issues including conduct which is an offence or a breach of law, failure to comply with a legal obligation, health and safety risks, the unauthorised use of company funds, possible fraud and corruption, abuse or theft of company resources and any actions which are unprofessional, inappropriate or conflict with a general understanding of what is right or wrong.

REPORT

*To report any of the above a call can be placed to
0800 11 11 67.*

Information can also be submitted via post to KZN665, Musgrave, 4062; using e-mail address information@whistleblowing.co.za or online from www.whistleblowing.co.za

Community transport project introduces young Capetonians to the arts

Golden Arrow's flagship Community Transport Support Programme (which is administered through the HCI Foundation) and its recipients were recently celebrated at an annual get together which aims to recognise the important work being done through the Programme and its 34 beneficiary organisations.

The Community Transport Support Programme facilitates interactions with and access to a range of community-based organisations by providing free transport to thousands of mostly young people. Many of them would never have experienced the performing arts were it not for the Programme.

Various beneficiaries showcased their work with live performances, which emphasised the importance and life-changing potential of exposing young people to the arts. Two young magicians from the Cape Town College of Magic, Sonwabile Mekuto and Dion Wabanie showcased their amazing talents to a spellbound audience.

Golden Arrow has a long-standing relationship with the Cape Town College of Magic, whose special focus on at-risk and marginalised youth is very much in keeping with GABS' caring, community-focused ethos. The college's diverse student body is able to learn and perform together despite their different socio-economic backgrounds and this mixing of cultures

creates relationships based on an appreciation of diversity and a shared love of magic.

The Community Transport Support Programme has a profound effect on everyone involved, according to beneficiary Applauz Arts Initiative Executive Director, Natalia Da Rocha. "Since being a beneficiary of the HCI bus programme we have changed lives and it gives Applauz such a sense of fulfilment seeing the smiles on the faces of those we transport into spaces previously closed to them," she says. She added: "We take primary school learners to the Baxter Theatre every year, high school learners from Macassar and Khayelitsha to ballet performances at the Artscape and these are standout moments in these learners' lives".

Other arts-related beneficiaries include the Artscape, the Baxter Theatre, Jazzart, the Cape Town Opera, Zip Zap Circus School, the Encounters Film Festival, the Magnet Theatre and Ikapa Dance Theatre.

For Golden Arrow, Corporate Social Investment remains a fundamental and irrevocable part of what we do says Corporate Affairs and Human Resources Executive and HCI Foundation trustee John Dammert. "There is no doubt that projects such as the Community Transport Support Programme are essential in bridging the gaps experienced by many learners from disadvantaged backgrounds. One magic show or theatre performance can change the trajectory of a child's entire future and that is certainly something to celebrate," he says.



AN EDUCATION IN THEATRE:
The Community Transport Support Project makes it possible for thousands of learners to broaden their horizons