

Abridged Unaudited Financial Results

For the half year ended 30 June 2019



Total Transport & Logistics Solutions









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Chairman's Statement

We are pleased with the results for the Half Year Ending 30 June 2019 which are good, especially considering the subdued business environment prevailing in the country at the

Functional currency changes were introduced by Statutory Instrument (S.I.) 33 of 2019 which was issued in February 2019 consequently recognising the RTGS Dollar as a currency in Zimbabwe. S.I. 33 of 2019 also prescribed the manner in which certain balances were to be treated

Revenue is up \$16.1M (123%) on prior year, and \$10.1M (53%) ahead of budget.

EBITDA is up \$6.2M (299%) on prior year, \$3.5M (103%) ahead of budget We are pleased to report a profit before tax of \$4.5M for the first half, which is \$1.8M ahead of budget and \$3.9M ahead of the previous year.

The numbers in RTGS\$ terms are fairly misleading, but we are very pleased with our volumes. Our focus on Low Margin LTL (Less Than Truckload) business is still bearing fruit with a 140% increase in overall yield. Although overall tonnage is down 5.8% on last year, this is by design to shift more volume to LTL having increased by 25.5 % vs prior year, and both LTL and FTL (Full Truckload) are ahead of budget by 1.8% and 5.5% respectively giving a total volume ahead of budget by 3.6%

Going into the second half of the year - our strategy is to protect shareholder value on the balance sheet and bank the gains we have made by continuously renewing our fleet and limit exposure to foreign borrowings; considering that our legacy liabilities (now in RTGS\$) have been eroded by the exchange rate resulting in understated values

We have also introduced measures through which we can lock and maintain the purchasing value in light of the inflationary environment.

We are quietly confident that despite most of our customers being +/- 40% down on volumes,

we will find new business to fill this capacity and have a profitable year

The board declared an interim dividend of 0.704 cents per share for the half year ended 30 June 2019. A separate statement on the dividend will be issued.

On behalf of the board, I would like to extend my sincere appreciation to our valued stakeholders. I am grateful to my fellow board members, management and staff for their continued commitment and going the extra mile

P.J. Annesley

Chairman 12 September 2019

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL

POSITION as at 30 JUNE 2019 2019 2018 \$ZW 000 \$ZW 000 **ASSETS** Non current assets 70,960 20,814 Property, vehicles and equipment 43,599 13,131 Investment property 19,856 Deferred tax asset 110 Rigt of use of asset 5,895 117 1,500 Intangible assets 1,500 15,514 6,031 Current assets 2,645 Trade and other receivables 10.900 3,784 1,969 677 Cash and cash equivalents 86,474 26,845 TOTAL ASSETS **EQUITY AND LIABILITIES** 60,431 15,460 Equity Share capital 1,065 1,065 Share premium 2.060 2.060 Non distributable reserve 4,296 4,341 1,232 Change of functional currency reserve 41,927 8,931 8,931 Shareholders loans Retained Earnings 920 (2,169)

9,598

3,649

3,251 278

2,420

16,445

17

125 4,264

2,673

86,474

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT

OR LOSS AND COMPREHENSIVE INCOME

for the half year ended 30 June 2019

TOTAL EQUITY AND LIABILITIES

Non current liabilities

Deferred consideration Deferred tax liabilities

Current liabilities

Income tax payable

Deferred consideration

Lease liability

Lease liability

June 2019	June 2018
\$ZW 000	\$ZW 000
29,212	13,086
(22,087)	(11,297)
1,197	296
8,322	2,085
(648)	(531)
(3,220)	(1,026)
4,454	528
(1,010)	
3,444	528
-	
3,444	528
3.23	0.50
3.23	0.50
3.23	0.50
	2019 \$ZW 000 29,212 (22,087) 1,197 8,322 (648) (3,220) 4,454 (1,010) 3,444 - 3,444

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the half year ended 30 June 2019

3,460

278

1,440

7,925 3,493

57

242

4,133

26,845

			Non-		Change of			
	Share capital \$ZW 000	Share premium \$ZW 000	distributable reserves \$ZW 000	Revaluation reserve \$ZW 000	functional currency reserve \$ZW 000	Shareholders loans \$ZW 000	Retained earnings \$ZW 000	Total equity \$ZW 0000
Balance as at 1 January 2018	1,065	2,060	5,782	1,232	-	8,931	(3,860)	15,210
Profit for the year	-	-	-	-	-	-	528	528
Dividend paid	-	-	-	-	-	-	(300)	(300)
Balance as at 30 June 2018	1,065	2,060	5,782	1,232	-	8,931	(3,632)	15,438
Balance as at 1 January 2019	1,065	2,060	4,341	1,232	-	8,931	(2,169)	15,460
Profit for the year	-	-	-	-	-	-	3,444	3,444
Dividend paid	-	-	-	-	-	-	(400)	(400)
Reclassification of non distributable reserve	-	-	(45)	-	-	-	45	-
Change of functional currency	-	-	-	-	41,927	-	-	41,927
Balance as at 30 June 2019	1,065	2,060	4,296	1,232	41,927	8,931	920	60,431

ABRIDGED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2019

	2019 \$ZW 000	2018 \$ZW 000
Net cash generated from operating activities	3,536	1,521
Cash generated from operations	4,647	2,116
Dividend paid	(400)	-
Interest paid	(648)	(531)
Taxation paid	(63)	(64)
Net cash utilised in investing activities	(4,831)	(2,854)
Purchase of property, vehicles and equipment		
to increase operations	(4,831)	(2,854)
Net cash generated from financing activities	2,038	330
Proceeds from borrowings	4,010	1,706
Repayments of borrowings	(1,972)	(1,376)
Increase/(Decrease) in cash and cash equivalents	743	(1,003)
Cash and cash equivalents at beginning of year	(1,084)	(795)
Net foreign exchange differences	549	-
Cash and cash equivalents at end of year	208	(1,798)
Comprising:		
Bank balances and cash:	1,969	315
Bank Overdraft	(1,301)	(2,113)
Cash and cash equivalents at 30 June	208	(1,798)

NOTES TO THE ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS For the half year ended 30 June 2019

General Information

Unifreight Africa Limited (formerly Pioneer Corporation Africa Limited) was incorporated in Zimbabwe in 1970. It is a holding company of a group of companies primarily involved in the road transport industry whose activities include inter-city freight consolidations, the distribution of general goods, and an international courier service

The Company is incorporated in Zimbabwe. Other entities in the group are incorporated in Botswana. The Company is listed on the Zimbabwe Stock Exchange.

Accounting Policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The policies applied are consistent with those applied in previous years.

The financial results are presented in Zimbabwean Dollars (\$ZW). The \$ZW currency was introduced on 24 June 2019 through Statutory Instrument 142 of 2019 (SI 142) which recognised the RTGS dollar, previously introduced on 20 February 2019 through SI 33, as the Zimbabwean

United States dollar (USD) non-monetary assets were restated at a rate of USD1:\$ZW3.5 to the new functional currency of \$ZW. These comprised of Property, plant and equipment, investment property, and inventories All USD monetary assets and liabilities were restated at a rate of USD1:\$ZW3.5 which reflected the fair market rate based on currency trades entered into by the Group in the month of functional currency change. The net movement equated the restatement to equity

Trade and other receivables

	June \$ZW 000	Dec \$ZW 000
Current		
Trade receivables	9,351	2,599
Receivables due from		
related parties	696	719
Less: provision for impairment	(457)	(276)
Trade receivables - net	9,590	3,042
Prepayments	329	195
Staff debtors	119	9
VAT receivable	177	163
Loan receivable	-	-
Other debtors	685	375
	10,900	3,784

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		2019 June \$ZW 000	2018 Dec \$ZW 000
	Non current		
	Other payables	-	
)			
2	Current		
	Trade payables	2,896	2,201
	Trade payables due to related		
	parties	199	267
	Accrued expenses	4,251	218
	Social security and other		
	statutory liabilities	2,021	807
		9,367	3,493

Trade and other payables

and 15%

	2019 \$ZW 000	2018 \$ZW 000
Shareholder loans Equity component of shareholders loans	8,931 (8,931)	8,931 (8,931)
Finance lease liabilities Bank overdraft	6,612 1,301 7,913	4,114 1,761 5,875

i) Finance lease liabilities

Lease liabilities relate to finance lease arrangements entered into to procure revenue generating vehicles. The amounts are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The interest rates are between 12-15% and the liabilities will be repaid in full by June 2022.

The bank overdraft, with a limit of ZW\$ 2,000,000, is secured by a first charge on certain group properties. 10.5% annual interest rate compounded monthly is charged on the bank overdraft

Fina

Finance cost		
Finance cost comprises the following:		
	June	Dec
	2019	2018
	\$ZW 000	\$ZW 000
Bank borrowings	90	362
Remeasurement of consideration liability	33	100
Finance leases	381	603
Finance leases	144	-
	648	1,065
Capital expenditure		
Acquisition of property, vehicles and equipment Approved capital commitments at the date of approval	4,748	3,232
of financial results	-	-

Contingent liabilities

The group is a defendant in various labour disputes with former employees. The cases are at various stages. The total being claimed in all these cases is USD 895,800.

There are no adjusting or non-adjusting events after the reporting date which have an effect on the financial

