UNIFREIGHT AFRICA LTD

ANNUAL REPORT 2020

UNIFREIGHT AFRICA 2020

We are the Logistics market leaders providing a full range of value distribution solutions throughout Zimbabwe.

UNIFREIGHT AFRICA LTD

TABLE OF CONTENTS

NOTICE TO SHAREHOLDERS

NOTICE OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF UNIFREIGHT AFRICA LIMITED
Incorporated in the Republic of Zimbabwe ("Unifreight" or "Company")
Registration number: 304/1970

Notice is hereby given that the 51st Annual General Meeting of Shareholders will be held in the Boardroom of the Harare Royal Gold Club, 5th Street Extension/Joisah Tongogara Avenue, Harare on 28th October 2021 at 10.00am to conduct the following business:

ORDINARY BUSINESS

1. CONSTITUTION OF MEETING
1.1 To table forms of proxy
1.2 To declare the meeting constituted.

2. FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS
2.1 To consider and adopt the financial statements for the year ended 31 December 2020 together with the reports of the Directors and Auditors.

3. DIRECTORS' FEES
3.1 To approve Directors fees for the year ended 31 December 2020.

4. DIRECTORATE
4.1. Confirmation of Directors
To confirm the appointment of Messrs Mark Andrew Kalweit. In terms of Section 106 of the Articles of Association Messrs Mark Kalweit retires at the Company's Annual General Meeting. He being eligible offers himself for re-election.

4.2 Re-election of Directors
To re-elect Messrs Belmont Ndebele and Ms Sarah Leigh Rudland . In terms of the Section 99 of the Company's Articles of Association, Messrs Belmont Ndebele and Ms Sarah Leigh Rudland retire by rotation. All being eligible offer them selves for re-election. The Directors will be elected by a separate resolution.

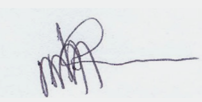
5. AUDITORS
5.1 To approve the remuneration of the Auditors for the past year and to consider the re-appointment of EY Chartered Accountants (Zimbabwe) as auditors for the year ending 31st December 2021.

6. Dividend
6.1 Approve the final dividend of 42.26 ZW cents per share as proposed by the Directors.

7. Any Other Business
Any other business that may be transacted at an Annual General Meeting.

FORM OF PROXY
A form of proxy, in which are set out the relevant instructions for its completion, is attached hereto, for use by such shareholder of the Company who is unable to attend the AGM but who wishes to be represented thereat. Completion of a form of proxy will not preclude such shareholder of the Company from attending and voting (in preference to the appointed proxy) at the AGM. The instrument appointing a proxy and the authority (if any) under which it is signed must be received by the Company's transfer secretaries or at the Company's registered offices (Attention: The Company Secretary) at the addresses given below no later than 48 (forty-eight hours) before the time appointed for the holding of the AGM.

OFFICE OF THE ZIMBABWE TRANSFER SECRETARIES	REGISTERED OFFICE OF THE COMPANY
First Transfer Secretaries (Private) Limited No 1 Armagh Avenue, Eastlea Harare	Unifreight Africa Limited Corner Orme & Willow Roads Southerton, New Ardbennie Harare



By Order of the Board
Moreblessing T Mukamba
Company Secretary

30-Sep-21

CORPORATE INFORMATION

The Company is incorporated in Zimbabwe with its subsidiaries operating in Zimbabwe.

BUSINESS

The Group's core business is transport and logistics offering freight and courier services.

MAIN BOARD
P. J. Annesley Chairman
B. N. Ndebele
M. A. Kalweit

MAIN BOARD
S.L. Rudland
R . E Kuipers* Chief Executive Officer

** Executive Director*

MAIN BOARD COMMITTEES

AUDIT AND FINANCE COMMITTEE
B. N. Ndebele (Chairman)
P.J. Annesley
R . E Kuipers*

** (by invitation)*

HUMAN RESOURCES AND REMUNERATION COMMITTEE
P.A. Annesley (Chairman)
S.L. Rudland
M. A. Kalweit
R. E. Kuipers*
**(by invitation)*

ADMINISTRATION

SECRETARIES
First Transfer Secretaries (Pvt) Limited
No 1 Armagh Avenue
Eastlea
Harare

PRINCIPAL BANKERS
NMB Bank limited

Nedbank Bank Limited

REGISTERED OFFICES
Corner Orme\Willow Roads,
Southerton Harare
Telephone: (+263) 4 621 015-21
or 08677000777
Email: solutions@unifreight.co.zw
Website: www.unifreight.co.zw

COMPANY SECRETARY
Moreblessing T Mukamba

AUDITORS
EY Chartered Accountants (Zimbabwe)

THE COMPANY

About the Unifreight Group

Unifreight Africa Limited, listed on the Zimbabwe Stock Exchange, has proudly been operating in the Zimbabwean market for the past 74 years and is well known as the market leader in the transport industry.

Unifreight has three operational brands under its corporate umbrella, namely Skynet Worldwide Express, Bulwark Transport and Swift Transport. With Bulwark offering dedicated and tailored fleet solutions, Skynet offering international and domestic courier services as well as air freight, and Swift Transport providing consolidated road freight and distribution solutions across Zimbabwe. Through these three premier brands customers, from all industries, can be assured that no matter the logistics problem, Unifreight Africa Limited will provide the transport solution.

In keeping up with an ever-changing and increasingly technologically driven world, the emphasis has been on innovating and providing more technological and convenient solutions to customers, with the focus being on retail solutions and e-commerce platforms.

The Unifreight hub and spoke model, unique to the brand, ensures that consignments are delivered to all major cities within 24 hours and smaller towns within 48 hours, this is made possible by the largest depot network of any other transporter in Zimbabwe. Unifreight has 35 depots strategically located throughout the country.

Six engineering workshops are situated at select depots around the country, ensuring the Unifreight Fleet is maintained and serviced on a regular basis and safe on every route countrywide, a with the truck never further than 3 hours away from technical assistance. Unifreight Africa Limited boasts an impressive fleet of vehicles that are driven by an experienced and a well-trained team of drivers, who are routinely trained and tested through the in-house driving school.

Unifreight prides its self on investing and empowering members of its team, with training programs implemented at every level as part of the Unifreight culture.

MOVING THE INDUSTRY FORWARD

Swift Transport, Bulwark and SkyNet Worldwide Express are the three premium brands operating under the Unifreight Africa Ltd umbrella.

"WE DELIVER"

UNIFREIGHT CORE VALUES

Accountability:
Building and living a culture of accountability is the founding principle of our business ethos. Accountability works in all directions with unity of purpose. We hold ourselves and each other responsible to deliver on our promise, continually earning our place as a trusted and honourable part of our community.

Teamwork
Teamwork is intrinsic to our business and glues together our many operating functions and wide depot network. Building on the synergies, skills, strengths and diversity of our team makes us a cohesive unit that is far greater than the sum of its parts, and ensures we consistently deliver a world class product regardless of the environment and challenges we may face.

Going the extra mile
We aim to exceed all expectations by going beyond the call of duty, showing initiative and breaking the boundaries of mediocrity, to ensure our team and customers are presented with extraordinary results and exceptional value.

Commitment
We are committed to ensuring delivery of quality service on time, every time, to our valued customers in an ethical and profitable manner. We commit to creating an environment where we can grow mutually beneficial, long term relationships with all our partners, and where our work and our brand becomes a guarantee of excellence. We agree to, and uphold our Code of Honour.

Honesty
Honesty is what our reputation is built on, both in the words we speak and the actions we take. We deliver our service consistently in an open, transparent, straightforward, reliable and ethical way.

We see honesty as more than just telling the truth – it is acknowledging reality and facts, and seeing things as they are, not as we perceive them to be.

Our pledge is to continually strive to be a trustworthy entity in our community, country and region by promoting honesty and renouncing immoral practises.

Vision

To become the major freight and logistics company in Zimbabwe and the Southern African region.

Mission

We are the Logistics market leaders providing a full range of value distribution solutions throughout Zimbabwe. By having a passionate and inspired culture of "going the extra mile", thereby creating value and exceptional service for all our stakeholders.

Values

"WE SOLVE PROBLEMS

by

DELIVERING ON OUR PROMISES

with

UNITED FOCUSED TEAMWORK

through

OFFERING LOGISTICS SOLUTIONS"

BOARD OF DIRECTORS

Peter John Annesley - Chairman

Peter John Annesley has over 20 years experience in financial services as well as business advisory services. Peter has held positions in executive capacity. He holds a Master's Degree in Business Administration from the University of Cape Town School of Business. Peter has participated in corporate and investment banking, creation of financial instruments and capital raising initiatives, property development and infrastructure funding. He is a citizen of and resides in Zimbabwe.

Mark Andrew Kalweit - Non Executive Director

Mr. Mark Andrew Kalweit is a Technology Innovator and Entrepreneur. He has over twenty plus years' experience in the ICT industry. Mark's expertise is founded on a clear vision to develop successful customer relationships by delivering on projects with exceptional technical acumen in this Digital Landscape. Mark has held various executive positions in private organisations. He is a citizen of and resides in Zimbabwe.

Robert Edward Kuipers - Group Chief Executive Officer

Robert Edward Kuipers was born in Zimbabwe and educated at Falcon College. He attended the University of Pietermaritzburg, reading for a Bachelor of Commerce Degree. After some overseas travel, he went on to do Honours in Accounting, and articles with KPMG. He passed the ICAZ Board Exams on his first attempt. Rob, then worked as the Finance Manager for a large agro-business, Butler Farms. Rob then joined Pioneer Transport. As the Finance Director he took the Company through the reverse listing process from Pioneer Transport (Private) Limited into the ZSE listed Clan Holdings Limited.He then left to run his own companies in the Southern African Region. Rob returned to Zimbabwe in 2010 and joined Swift Transport as the Managing Director. He was appointed Chief Operating Officer in 2014 and Chief Executive Officer in November 2015.

Sarah Leigh Rudland - Non Executive Director

Sarah is a Zimbabwean citizen who studied culinary arts, marketing and project management in Cape Town. She then joined Scania Southern Africa and worked in all the departments covering production, marketing, sales and accounting thus amassed greater knowledge of transport and logistics services. Sarah is a successful restaurant owner in Harare with a firm foundation in the transport industry.

Belmont Njabulo Ndebele - Non Executive Director

Belmont has over 20 years of banking and financial services sector experience 15 of which have been held in an executive capacity. He holds a Masters of Science and a Bachelor of Science Honours degree in Economics from the University of Zimbabwe. He also holds various qualifications in Leadership, Strategy, Corporate Governance, Treasury, Trade and Structured Finance. He also sits on the boards of various listed and non-listed entities in Zimbabwe. He also serves on the Advisory board of a world renowned university based in India. He is a citizen of and resides in Zimbabwe.


SWIFT
WE
OWN
THE
DAY
R420
24
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#WeDeliver
SWIFT
A LOCAL HERO DELIVERING NATIONWIDE
UNIFREIGHT
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GROUP STRUCTURE

“going the extra mile”, thereby creating value and exceptional service for all our stakeholders.

Unifreight Africa Limited

Holding Company and Zimbabwean operating company, branded principally as Swift and Bulwark.

Trek Transport (Private) Limited t/a Skynet Worldwide Express

International Courier Service - Subsidiary

Clan Properties (Private) Limited, Kirkman & Kukard (Private) Limited, Birmingham Road Property (Private) Limited

Property-owning Companies - Subsidiaries

Foreign Subsidiary

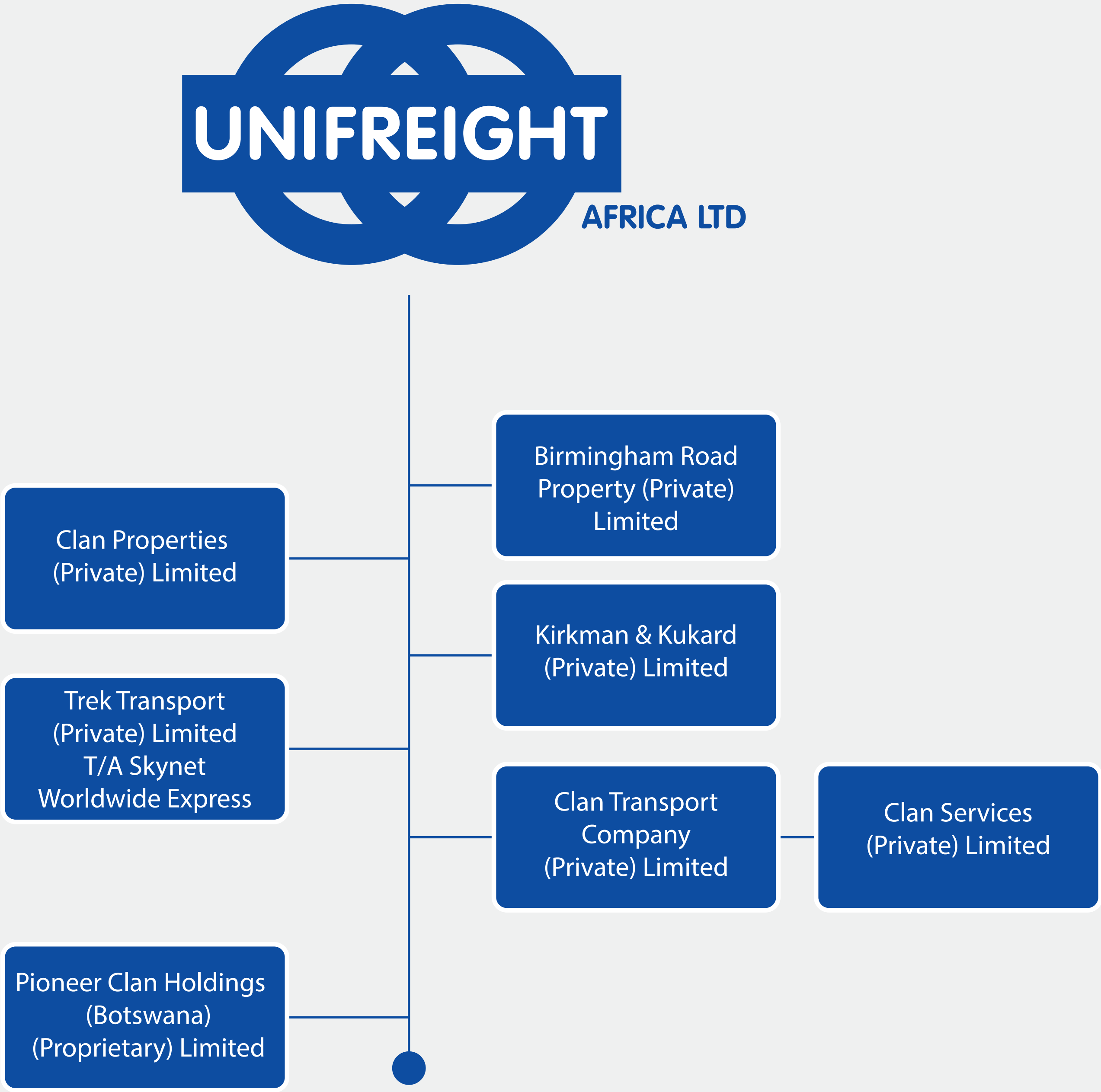
Pioneer Clan (Botswana) (Proprietary) Limited

Cross border road freight haulage and logistics - Dormant Subsidiary

Investment Companies

- Birmingham Investments (Private) Limited - Dormant Subsidiary
- Clan Services (Private) Limited - Subsidiary
- Pioneer Clan Holdings (Botswana) (Proprietary) Limited - Dormant Subsidiary
- Clan Transport Company (Private) Limited - Dormant Subsidiary
- Tredcor Zimbabwe (Private) Limited - 51% owned Investment

*All subsidiaries are 100% owned by Unifrieght Africa Limited (2019:100%)


UNIFREIGHT AFRICA LTD
Birmingham Road Property (Private) Limited
Clan Properties (Private) Limited
Kirkman & Kukard (Private) Limited
Trek Transport (Private) Limited T/A Skynet Worldwide Express
Clan Transport Company (Private) Limited
Clan Services (Private) Limited
Pioneer Clan Holdings (Botswana) (Proprietary) Limited

CHAIRMAN'S STATEMENT

Overview
It is obvious to state that 2020, for Unifreight and the entire Nation in general, was an extremely challenging year virtually from the very get-go, with the COVID-19 Pandemic leading to lockdowns including the 1st and 2nd Waves of infections, during which we lost two of our non-executive Directors. David Hlatywayo lost his life in a motor vehicle accident whilst Chris Amira succumbed to Covid – we are most grateful to both David and Chris for their years of service to Unifreight and our thoughts and prayers continue to go out to their families. On an uplifting note the Board is pleased to welcome Mark Kalweit as a Non-Executive Director. Mark is a Technology Innovator and Entrepreneur and the Executive Management looks forward to Mark's skillset helping guide Unifreight into the Digital Landscape.

Notwithstanding the difficult start to the year Group Operations recovered well, under the circumstances, and the Board is pleased to report an inflation adjusted earnings before interest, tax and depreciation of ZWL$ 367 Million which was 8% above prior year. Given the Covid 19 related challenges that were experienced during the year, the Board is pleased with the performance.

The volatility of the reporting currency has made the interpretation of the 2020 Results a challenge, consequently the Board opted to measure performance by way of volume which reveals that Unifreight's tonnage dropped 14% on the previous year. This being against a backdrop of a number of Unifreight Customers being completely shut down whilst others operated at less than 50% of normal volumes for extended periods of time – the Board applauds Managements' performance in ensuring the Group traded strongly and remained profitable.

Outlook
The Board had an additional 6 months of trading data following year-end. To this end the Board is pleased to report a significant improvement in performance which has seen Revenue increase by 94% and Volumes grow by 35% on Prior year.

The Group Key performance Indicators are moving in the appropriate direction through improving yields and improved fuel consumption levels attributed to investment in new fleet. Careful management of labour cost per tonne and an overall improvement in cost controls gives the Board confidence that Management are on a sustainable trajectory.

However, that said – the stark reality of an uncertain economic outlook nationally and globally are concerning.

Consequently the Board, Executive and Management are focusing on what can be controlled, working hard to maintain a positive attitude and keep searching for pockets of opportunity that have been created whilst being extremely cogniscant of protecting Shareholder Value. The Board is grateful that Unifreight's robust yet flexible business model, with diverse Customer Base has kept the Group going through very difficult times.

Dividend
The Board, on 30 July 2021 recommended the declaration of a dividend of 42.26 ZW cents per share, a separate announcement will be made giving details of payment.

Appreciation
All this would not have been possible without an Executive and Management Team who have really dug deep and gone the extra mile, thank you.

Peter John Annesley
Chairman

30-Sep-21


SCANIA
BULWARK
G480
WE MEAN BUSINESS
Fleet Solutions
#WeDeliver
UNIFREIGHT
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"...we were very pleased to report that our sales remained on budget in real terms.."

CEO'S REPORT

On reflection I believe that 2020 was the year that shook the world and changed it forever, but not all in a bad way - It made business in general take a breath and gave many industries time to pause. For Unifreight though this was never an option. Being one of the biggest transport operators in Zimbabwe, the Unifreight team acted and fulfilled the role of the national carrier and essential services provider. The company didn't close, and the wheels never stopped turning.

It is in times like these, where the world literally stops, that you truly understand the value of teamwork and dedication. All our depots operated as close to normal as possible, and our resilient and loyal workforce showed up every day without fail. In the beginning we had little understanding of what we were up against, but the work continued, and the brave men and women who make up our organisation ensured that the essential PPEs, perishable goods and medications were delivered around the country on time and where needed. I am very proud to be a part of this team.

The shutdowns did have a downward effect, but despite expecting a dramatic decline in volumes and a bleak economic outlook for the country as a whole, we were very pleased to report that our sales remained on budget in real terms, but what is really pleasing is that we clawed back a cumulative historical profit before tax of ZW$ 246 million.

EBITDA was on budget and 17% up on Prior Year in US$ terms, and was still at a solid 26% of revenue indicating that we had costs under control. In US$ terms, net profit percentage was a very healthy at 19% vs industry norms below 10%.

Our Tobacco transport model in 2020 had to change due to the pandemic with the restrictions on inter-provincial travel, but this actually worked in our favour with tobacco volumes amounting to 28.4 million kgs, a 17% increase on the previous year.

In Harare we increased our depot footprint, answering the call from many of our customers to have a presence in the suburbs, so they wouldn't have to travel into town or the industrial sites to collect or drop off consignments. Joining our Arundel convenience outlet established last year, we opened the new Borrowdale, Westgate and Chitungwiza outlets. This brings our total footprint to 35 depots and satellite depots and nine convenience outlets throughout the country.

Staff training was hampered by COVID-19 regulations, but we have continued to invest in our most valuable asset – our people, and during the months of October, November and December we were able to hold training sessions with staff members from a number of different departments.

Our biggest challenge continues to be securing enough foreign currency for our foreign procurement needs, and the moving exchange rate which requires constant review of our pricing rates to keep up with the increasing costs. We are still taking a view on doing cross-border work in the region to earn additional forex. However, the mileages that can be achieved are half of what we can achieve running locally and the margins are very thin. Our other big challenge is the availability of fuel which so far has been sufficient although stocks are very low, and we anticipate that we will be required to pay for fuel in forex going forward.

Unfortunately the replacement of equipment which is all imported fell behind schedule this year as the volatility of rates and interest rates, as well as COVID uncertainty gave us reason to rather pay down all debts than further finance new equipment. Being able to keep our rates viable enough for our own customers to stay in business in this environment has also been a challenge – but we still maintain that with our consolidation service, we can offer our distribution services to all of our customers more cost effectively, and more efficiently, than they could do for themselves if they were to operate their own fleets.

I would like to thank all of our customers for keeping their faith in us

I would like to thank all of our customers for keeping their faith in us and our suppliers for bearing with us through some difficult moments, but as importantly, our team , thank-you for your hard work, dedication, and for going the extra mile during perilous times, towards our goal of taking our company from good to Great.

Robert Edward Kuipers
Group Chief Executive Officer

30-Sep-21

CORPORATE GOVERNANCE

Corporate Governance Amidst The Covid-19 Pandemic

Corporate governance is the foundation for company purpose, strategy, opportunity and risk management. It enhances the quality of leadership and decision-making. Unprecedentedly 2020, was eclipsed by a turbulent operating environment which was characterized by an increasingly complex set of pressures and demands from various stakeholder groups, heightened expectations for societal engagement and corporate citizenship, and a radical uncertainty about the future.

The Covid-19 pandemic, which started off as a public health crisis, quickly evolved into a financial and economic crisis of epic proportions. As the virus made its way across the globe, few, if any, companies were spared from its devastating effects. Various factors complicated board decision-making processes and issues on corporate governance. Whether or not Covid-19 is truly an inflection point for corporate governance that is yet to be seen. There is however no doubt, that the pandemic has challenged core premises on governance in ways that have significant implications for boards. Boards will inevitably require directors to devote more time to their role than has customarily been the case. There is need to work more closely with management on strategy, tracking a richer set of performance measures, overseeing an expanded menu of risks, rethinking compensation policies, engaging in more thoughtful deliberation, reviewing board composition.

However, on a positive note, the pandemic accelerated the ease of convening virtual meetings. As Boards look to the post-Covid era, it will not only be prudent to assess their readiness to meet the new demands and develop a plan to address any gaps identified, but that the Board, must also ensure that their members have a shared understanding of the Board's role and responsibilities, and of their individual role and responsibilities as directors.

The Company Secretary - Moreblessing Tendai Mukamba

The Company Secretary plays a leading role in good governance by helping the Board and its committees function effectively and in accordance with their terms of reference and best practice. The Company Secretary is also the interface between the Board and management and in communication with external stakeholders. Moreblessing, holds a Bachelor of Laws Degree (LLB) and Masters in Business Administration Degree.

She is a duly registered Legal Practitioner and a member of the Law Society of Zimbabwe. Through various attachments in practice, she amassed invaluable experience in the various fields of law encompassing Corporate and Commercial law, Labour and Employment law, Private law, Law of Contract and Dispute Resolution. She is a citizen of and resides in Zimbabwe.

Board of Directors

The Board has one Executive Director and four Non-Executive Directors, all of whom are independent. The Board meets at least quarterly.

Profiles of the Directors may be found on page 10 of this report. The roles of Chairman and CEO are completely separate and no individual has unfettered control over decision-making. The Board remains responsible to Shareholders for the setting of strategic direction, monitoring of operational performance and management, risk management processes and policies, compliance and setting of authority levels as well as the selection of new directors. The Board is also responsible for the integrity and quality of communication with stakeholders, including employees, regulators and shareholders. All Directors have direct access to the advice and service of the Company Secretary and to information on the Group's affairs. Each Director is elected by members in a general meeting with one-third retiring by rotation each year and in the case of new directors, at the expiry of their first year. The Board has approved fees for the coming year, which, as before, are split between a standing quarterly fee and a fee per meeting or Committee meeting attended.

Directors' Interests

Directors of Unifreight Africa Limited are required to advise in writing of any material interest in any contract of significance with the Group or its subsidiaries.

Board Committees

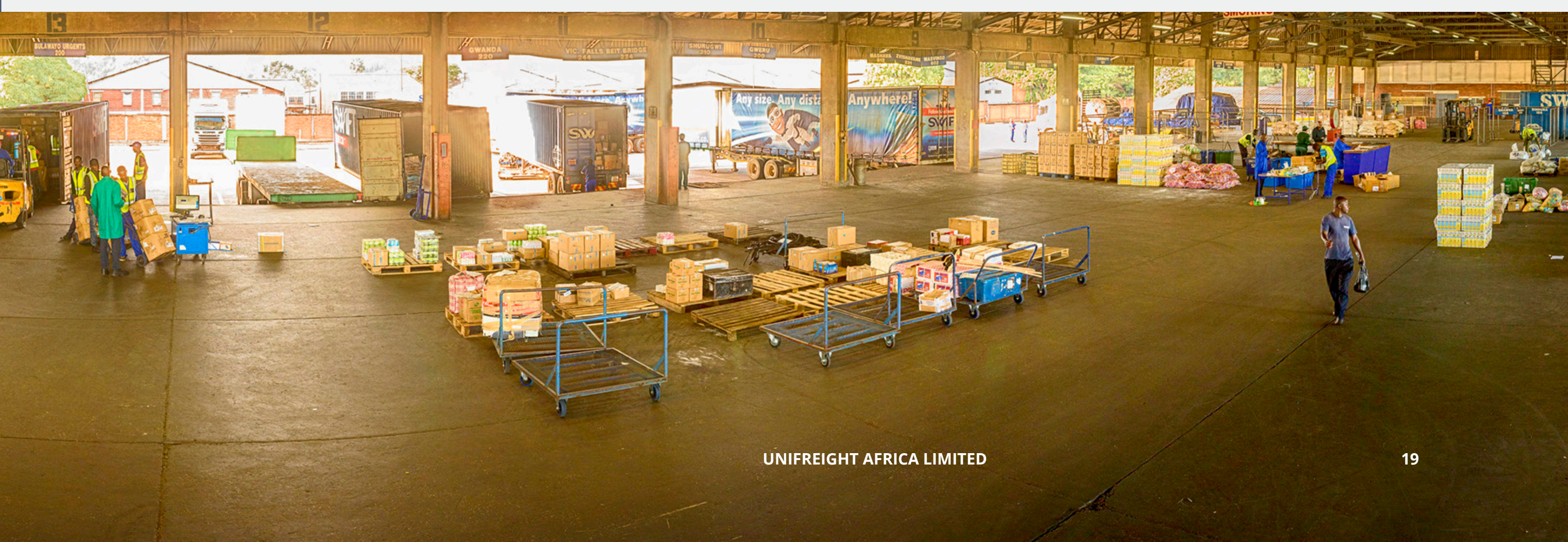
The Board is assisted in the discharge of its responsibilities by a number of Committees which are accountable to the Board. These Committees are chaired by Non Executive Directors who exercise independent judgment.

Finance, Audit & Risk Committee

An independent Non Executive Director chairs the Finance, Audit and Risk Committee. The Committee has adopted the terms of Reference recommended and envisaged in the Code of Corporate Governance It assists the Board in the discharge of its duties relating to financial reporting to all stakeholders, compliance and effectiveness of accounting, business risks and management of information systems.

Human Resources and Remuneration Committee

This Committee is chaired by an independent Non Executive Director. The CEO is invited to its meetings but does not participate in any discussions on his remuneration. The Committee is responsible for setting the remuneration of senior executives and fixing the remuneration packages of individual directors within agreed terms of reference, in order to avoid potential conflicts of interest. The broad guidelines of the Committee are to ensure that the financial rewards offered by the Group to employees are sufficient to attract people of the right calibre required for the effective running of the Group and to produce the required returns to its shareholders.



DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group for the year ended 31 December 2020.

The consolidated financial statements of Unifreight Africa Limited have been prepared in accordance with International Financial Reporting Standards (IFRS's)

Share capital details	Number of ordinary shares
Authorised share capital : Ordinary shares @ $0.01 each	140,000,000
Issued and fully paid share capital : Ordinary shares @ $0.01 each	106,474,237
Authorised but unissued shares under the control of the Directors : Ordinary shares @ $0.01 each	33,525,763

Reserves
The movement on Capital and Reserves is reflected in the Statement of Changes in Equity.

Dividend
Members will be asked to approve payment of a final dividend of 42,26 ZW cents per share as proposed by the Directors.

Directors fees
Members will be asked to approve the payment of Directors' fees in respect of the year ended 31 December 2020

Auditors
Members will be asked to approve the remuneration of the Auditors for the past year and re-appoint EY Zimbabwe for the current year.

For and on behalf of the Board

P. J. Annesley
Chairman

M. T. Mukamba
Company Secretary

30-Sep-21

SWIFT CONTINUED ESSENTIAL TRANSPORT SERVICE DURING COVID-19 LOCKDOWN

In 2020 the world saw an unprecedented global pandemic, which affected every person, every household and every business. Some more than others. What became abundantly clear early on, was the dire need to keep freight moving, particularly essential supplies. All Unifreight brands stepped up and a unilateral decision was made to keep the company running (with strict WHO COVID19 protocols in place), but to ensure there was never an interruption in the supply of all freight.

The team at Swift Transport committed to doing whatever it took to carry on offering all its essential transport services across its 35 strategically located depots, nationwide.

The company adhered to the strict precautions enforced by international organisations and the local government, to the best of its ability, to ensure the health and safety of all staff members, valued customers and the public in general, against the spread of COVID-19.

Despite the risks involved, the brave Swift team acknowledged that it was in the best interests of the nation that it keeps its wheels turning, particularly to ensure that food stuffs, and critical medical supplies
continue to move where they are needed. This included meeting the measures set in place by many of the Swift customers.

CEO Unifreight Africa Limited, Rob Kuipers says "In this time of crisis we will do what-ever it takes to make sure our customers' freight is delivered, where and when it needs to be, throughout our countrywide depot network. Road transport is an essential service in Zimbabwe, and we will not stop this service when the country needs it most.
Traditionally Swift transport has not focussed on home delivery, but following in the wake of the lockdown during the pandemic we were often required to assist with the delivery of medicine to people at home. Through this experience we are working on solutions to be able to offer this service on a more permanent basis, having realised the need.

We communicated with our customers regularly and they were aware of the many safety procedures we have put in place. In these extraordinary times we are obligated to implement extraordinary measures to ensure that we protect the health of everyone - including our incredibly dedicated workforce, who as front-line workers, should be praised as the National Hero's they are!

We have a great team who are committed to stay the course throughout this crisis and find solutions to any problem we encounter"

Swift transport can be reached through its call centre in Harare on 08677 000 777, via email : callcentre@swift.co.zw and also on Skype: swift-transport, just swift it, WhatsApp 0773799477, or online through its website.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Group as at the end of the financial period as well as the profit and cash flows for the same period.

The Directors are responsible for maintaining records, which disclose with reasonable accuracy the financial position of the Group, and which enable them to ensure that the financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31). The Directors are also responsible for safeguarding the assets of the Group and for preventing and detecting fraud and other irregularities.

The Directors recognize and acknowledge their responsibility for the Group's systems of internal control. These systems are adequate to provide reasonable assurance that the assets of the Group are safeguarded and that accurate records, necessary for the preparation of the financial statements, are maintained.

The Directors consider that in the preparation of these financial statements, reasonable and prudent judgments and estimates have been made. International Financial Reporting Standards have also been followed, where applicable with suitable accounting policies having been consistently applied subject to limitations imposed by statutes."

Compliance with Local Legislation

These financial statements do not comply with the Companies And Other Business Entities act (Chapter 24.31) and Statutory Instruments (SI 33/99, SI 62/99). These financial statements however have been prepared to comply with the Statutory Instrument 33 of 2019, issued on 22 February 2019 and the guidance issued by the Public Accountants and Auditors Board (PAAB) on 21 March 2019. Mainly, Statutory Instrument 33 of 2019 specified, among other things, that for accounting and other purposes, all assets and liabilities that were immediately before the effective date valued in United States Dollars (other than assets and liabilities referred to in section 44C (2) of the Reserve Bank of Zimbabwe Act), shall on and after the effective date, (22 February 2019) be deemed to be values in RTGS dollars at a rate of one-to-one to the United States Dollar. This Statutory Instrument, based on the Directors interpretation, prescribes parity between the US Dollar and local currency.

Compliance with IFRS

"The Financial Statements are prepared with the aim of fully complying with International Financial Reporting Standards (IFRS) which comprise International Financial Reporting Standards (IFRSs) developed by the International Accounting Standards Board (IASB); International Accounting Standards (IASs) adopted by the IASB; Interpretations originated from the International Financial Reporting Interpretations Committee (IFRICs) and the former Standing Interpretations Committee (SIC).

The financial statements do not comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), due to non-compliance with IAS 21 Effects of Changes in Exchange Rates, IAS 8 Accounting Policies, Change in Accounting Estimates and Errors and IAS29 Financial Reporting in Hyperinflationary Economies. These financial statements are based on the statutory records that are maintained under the historical cost convention, except for land and buildings and investment property that have been measured at fair value.
The financial statements for the year ended 31 December 2020 do not fully comply with IAS21 due to the matter detailed below which arose in the prior year on change in functional currency.

In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019 (S.I 33), which, based on our interpretation:

- introduced an electronic currency called the RTGS Dollar which commenced trading on the interbank market at 1US:2.5RTGS Dollars;
- prescribed parity between the US$ and local currency up to the effective date of 22 February 2019, for accounting and other purposes

The financial statements for the year ended 31 December 2018 and 2019 did not achieve full compliance with IFRS, due to the requirement to comply with SI 33 of 2019. S.I 33 created inconsistencies with IAS 21, as well as with the principles embedded in the IFRS Conceptual Framework, as also enunciated in the guidance issued by the Public Accountants and Auditors Board on 21 March 2019. As a result of compliance with S.I 33, the accounting treatment adopted in the 2018 and 2019 financial statements was different from that which would have been adopted if the Group had been able to comply with IFRS.

As such, the Directors have not been able to produce financial statements which comply with IFRS and the Companies and Other Business Entities Act (Chapter 24:31). Note 2.1 seeks to provide users with more information relating to the departure.

Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

Preparation and audit of the financial statements

The financial statements have been audited by the Group's external auditors, Ernst & Young Zimbabwe, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and Committees of the Board. The financial statements were prepared under the supervision of the Finance Executive, Mr. L. Mhonda (PAAB Number: 0968). The directors confirm that all representations made to the independent auditors during the audit were valid and appropriate.

Approval of the financial statements

The financial statements for the year ended 31 December 2020 have been approved by the Board of Directors and are signed on its behalf by the Chairman of the Board, Mr P. J Annesley and by the Group Chief Executive Officer, Mr. R. E Kuipers.

P. J. Annesley
Chairman

30-Sep-21

Building a better working world

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNIFREIGHT AFRICA LIMITED

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Adverse Opinion
We have audited the inflation adjusted consolidated financial statements of Unifreight Africa Limited and its subsidiaries (the Group), as set out on pages 28 to 67, which comprise the inflation adjusted consolidated statement of financial position as at 31 December 2020, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the year then ended, and notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying inflation adjusted consolidated financial statements do not present fairly the financial position of the Group as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Non-compliance with IFRS: International Accounting Standard (IAS 21)- *The Effects of Changes in Foreign Exchange Rates* in prior period and inappropriate application of IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*

Historical functional currency matter
As explained in note 2.4a to the inflation adjusted Consolidated Financial Statements, the Group changed its functional currency from United States Dollars (US$) to Real Time Gross Settlement Dollars (RTGS$) on 23 February 2019 in order to comply with Statutory Instrument 33 of 2019 issued on the same date. The inflation adjusted consolidated financial statements is presented in ZWL.

We however believe that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

Our audit opinion for the year ended 31 December 2019 was therefore modified as management prospectively applied the change in functional currency from US$ to RTGS$ from 23 February 2019, which we disagreed with. The correct approach would have been a retrospective restatement as a prior period error in terms of IAS 8.

Management has not made adjustments in current year in terms of IAS8, therefore, many corresponding numbers remain misstated on the inflation adjusted consolidated financial statements, impacting comparability of the current year figures.

The matter continues to impact the following amounts on the inflation adjusted consolidated statement of financial position which still comprise of material amounts from opening balances: Vehicles and equipment of ZWL879 197 000 (2019:ZWL1 041 568 000); investment property of ZWL463 603 000 (2019: ZWL522 769 000); deferred tax liabilities of ZWL344 241 000 (ZWL: 369 603 000); retained earnings of ZWL26 080 000 (2019: ZWL100 409 000); non-distributable reserve of ZWL1 009 431 000 (2019: ZWL1 019 735 000) ; intangible assets of ZWL 41 795 000 (2019: ZWL41 795 000) and inventories of ZWL 126 423 000 (2019: ZWL 203 619 000).

As opening balances enter into the determination of cash flows and performance, our audit opinion is modified in respect of the impact of this matter on the depreciation expense of ZWL207 300 000 (2019: ZWL89 848 000); operating costs of ZWL1 213 128 000(2019: ZWL1 007 385 000) and tax expense of ZWL23 594 000 (2019: ZWL360 070 000) on the inflation adjusted consolidated Statement of Profit or Loss and Other Comprehensive Income and cash flows from operating activities on the inflation adjusted consolidated Statement of Cash Flows.

Basis for Adverse Opinion (continued)

Exchange rates used (Non-compliance with IAS 21)

In the current year and consistent with the prior year assessment, we have concluded that the interbank exchange rates for the period 1 January to 26 March 2020 and between 27 March and 23 June 2020 (when the Reserve Bank of Zimbabwe maintained a fixed exchange rate of US$1: ZWL25) did not meet the requirements of IAS 21 as they were not available for immediate delivery. For the period between 24 June and 31 December 2020 the Group applied internally derived exchange rates. The internal exchange rates determined by management for financial reporting purposes did not meet the definition of spot exchange rates in terms of IAS 21. Consequently, the following amounts are materially impacted:

Inflation adjusted consolidated statement of financial position

Vehicles and equipment of ZWL879 197 000 (2019:ZWL1 041 568 000); trade and other receivables of ZWL175 227 000 (2019: ZWL125 695 000); inventories of ZWL126 423 000 (2019:ZWL203 619 000); cash and cash equivalents of ZWL50 628 000 (2019: ZWL36 547 000); trade and other payables of ZWL118 218 000 (2019:ZWL102 507 000); income tax payable of ZWL49 182 000 (2019:ZWL 28 162 000) and equity component on shareholders' loan of ZWL248 855 000 (2019:ZWL 248 855 000).

Inflation adjusted consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue of ZWL1 518 494 000 (2019: ZWL1 328 854 000); monetary loss of ZWL205 454 000 (2019: gain of ZWL147 295 000; income tax expense of ZWL23 594 000 (2019: ZWL360 070 000); operating costs of ZWL1 213 128 000 (2019: ZWL1 007 385 000) and finance costs of ZWL7 276 000 (2019: ZWL20 294 000).

Consequently, retained earnings, deferred tax liability and income tax liability are impacted. The misstatements can however not be quantified as an appropriate exchange rate has not been determined. Our prior year audit report was also modified because of this matter.

Application of IAS29 - *Financial Reporting in Hyperinflationary Economies*

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, monetary loss of ZWL 205 454 000 (2019: gain of ZWL147 295 000) is impacted. Our opinion was also modified in respect of this matter in the prior year.

Valuation of Investment Property for Disclosure purposes (Non-compliance with IFRS 13 – *Fair Value Measurement* and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*)

The group's properties, which are accounted for at cost in terms of the group's accounting policy, are subjected to valuation, for disclosure purposes, as per the requirements of IAS 40- *Investment Property*. The standard requires fair value to be disclosed as is described in note 7 to the inflation adjusted consolidated financial statements. The concept of fair value is derived from the principles set out in IFRS 13.

These assets were valued as guided by management experts using historical US$ denominated inputs and converted into ZWL at the applicable closing exchange rates both in the prior year and as at 31 December 2020. For properties, there is a unique disconnect between the currency in which the rentals are being paid (ZWL) and the currency in which the properties are being valued (US$). The implicit investment method was applied for industrial and commercial properties and key inputs into the calculations include rentals per square metre and capitalisation rates. Residential properties were valued in terms of the market comparable approach.

We have concerns over the appropriateness of using a foreign currency for the valuation and then applying a conversion rate to determine the ZWL values of the investment property and freehold land and buildings. The translation process adopted by management would not meet the fair value measurement principles of the affected items as set out in IFRS 13 "*Fair Value Measurement*" due to the following considerations:

1) With respect to the implicit investment approach, the US$ estimated rentals may not be an appropriate proxy for the ZWL amounts in which rentals are settled.

INDEPENDENT AUDITOR'S REPORT- continued
TO THE MEMBERS OF UNIFREIGHT AFRICA LIMITED

Basis for Adverse Opinion (continued)

Valuation of Investment Property for Disclosure purposes (Non-compliance with IFRS 13 – *Fair Value Measurement* and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*) *(continued)*

2) While historical US$ amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate.

Consequently, investment property disclosures may be materially misstated and owing to lack of information on relevant inputs in ZWL, we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our prior year audit report was also modified due to this matter.

The effects of the above departures from IFRS are material and pervasive to the inflation adjusted consolidated financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises of the Chairman's Statement, the Directors' Report and the Directors' Responsibility for Financial Reporting, the Corporate Governance and the Chief Executive Officer's report. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 8, IAS21, IAS29 and IFRS 13. We have concluded that the other information is materially misstated for the same reasons stated above.

Responsibilities of the Directors for the Inflation Adjusted Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with IFRSs and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal controls as the directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT- continued
TO THE MEMBERS OF UNIFREIGHT AFRICA LIMITED

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr David Gwande (PAAB Practicing Certificate Number 132).

Ernst & Young

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS
HARARE

7 August 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

		Audited		Unaudited	
		2020 Inflation Adj	2019 Inflation Adj	2020 Historical	2019 Historical
		ZW$ 000	ZW$ 000	ZW$ 000	ZW$ 000
ASSETS					
Non current assets	**Note**	**1,541,198**	**1,645,603**	**142,037**	**68,066**
Vehicles and equipment	6	879,197	1,041,568	84,551	43,749
Investment property	7	463,603	522,769	18,565	20,892
Right of use asset	9	156,603	39,471	37,421	1,925
Intangible assets	8	41,795	41,795	1,500	1,500
Current assets		**352,278**	**365,861**	**336,419**	**49,054**
Inventories	11	126,423	203,619	105,875	12,887
Trade and other receivables	12	175,227	125,695	179,918	28,020
Cash and cash equivalents	13	50,628	36,547	50,626	8,147
Assets held for sale	30	45,059	-	2,046	-
TOTAL ASSETS		**1,938,535**	**2,011,464**	**480,502**	**117,120**
EQUITY AND LIABILITIES					
Equity		**1,371,441**	**1,456,074**	**258,557**	**76,549**
Share capital	14	**29,675**	**29,675**	**1,065**	**1,065**
Share premium	14	57,400	57,400	2,060	2,060
Non-distributable reserve	14	1,009,431	1,019,735	46,356	48,528
Equity component of shareholders loans	16	248,855	248,855	8,931	8,931
Retained Earnings		26,080	100,409	200,145	15,965
Non current liabilities		**381,341**	**392,714**	**39,845**	**5,318**
Loans and borrowings	16	-	13,323	-	2,970
Lease liability	9	37,100	9,788	37,590	2,182
Deferred tax liabilities	17	344,241	369,603	2,255	166
Current liabilities		**176,493**	**162,676**	**181,980**	**35,253**
Trade and other payables	15	118,218	102,507	123,706	22,733
Income tax payable	23	49,182	28,162	49,161	5,385
Deferred consideration	16	73	1,247	73	278
Lease liability	9	1,482	314	1,502	70
Loans and borrowings	16	7,538	30,446	7,538	6,787
Liabilities directly associated with the assets held for sale	3	9,260	-	120	-
TOTAL EQUITY AND LIABILITIES		**1,938,535**	**2,011,464**	**480,502**	**117,120**

These financial statements were approved by the Board on 30 July 2021 and signed on 06 August 2021 on it's behalf by:

P. J. Annesley
Chairman

30-Sep-21

R.E. Kuipers
Chief-Executive Officer

30-Sep-21

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Note	Audited 2020 Inflation Adj ZW$ 000	Audited 2019 Inflation Adj ZW$ 000	Unaudited 2020 Historical ZW$ 000	Unaudited 2019 Historical ZW$ 000
Revenue	**5a**	**1,518,494**	**1,328,854**	**1,038,701**	**136,239**
Operating costs	20	(1,213,128)	(1,007,385)	(821,640)	(99,893)
Movement in expected credit losses	12	(230)	(10,300)	(9,196)	(2,296)
Other operating income	19	62,271	28,692	63,617	(1,509)
Earnings before interest, tax and depreciation (EBITD)		**367,407**	**339,861**	**271,482**	**32,541**
Finance costs	22	(7,276)	(20,294)	(12,281)	(1,682)
Depreciation	6. 7. 9	(207,300)	(89,848)	(13,149)	(7,241)
Monetary (loss)/ gain		(205,454)	147,295	-	-
(Loss)/ profit before taxation		(52,623)	377,014	246,052	23,618
Income tax expense	23	(23,594)	(360,070)	(48,953)	(4,088)
(Loss)/ Profit for the year		**(76,217)**	**16,944**	**197,099**	**19,530**
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive income/ (loss) for the year, net of tax		**(76,217)**	**16,944**	**197,099**	**19,530**
Earnings per share	**24**				
- Basic earnings for the year attributable to ordinary equity holders of the parent (cents)		(71.58)	15.91	185.11	18.34
- Diluted earnings for the year attributable to ordinary equity holders of the parent (cents)		(71.58)	15.91	185.11	18.34
- Headline earnings for the year attributable to ordinary equity holders of the parent (cents)		51.92	(208.14)		

UNIFREIGHT AFRICA LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

		Share capital ZW$ 000 (note 14)	Share premium ZW$ 000 (note 14)	Non-distributable reserves ZW$ 000 (note 14)	Equity Portion Of Shareholders loans ZW$ 000 (note 16)	Retained Earnings ZW$ 000	Total equity ZW$ 000
Balance as at 1 January 2019		**29,675**	**57,400**	**-**	**248,855**	**94,850**	**430,780**
Effects of first adoption of IFRS 16 Leases		-	-	-	-	(1,045)	(1,045)
Profit for the year		-	-	-	-	16,944	16,944
Change of functional currency		-	-	1,019,735	-	-	1,019,735
Dividend	Note 25	-	-	-	-	(10,340)	(10,340)
Balance as at 31 December 2019		**29,675**	**57,400**	**1,019,735**	**248,855**	**100,409**	**1,456,074**
Balance as at 1 January 2020		**29,675**	**57,400**	**1,019,735**	**248,855**	**100,409**	**1,456,074**
Loss for the year		-	-	-	-	(76,217)	(76,217)
Dividend	Note 25	-	-	-	-	(8,416)	(8,416)
Realised portion of non-distributable reserve		-	-	(10,304)	-	10,304	-
Balance as at 31 December 2020		**29,675**	**57,400**	**1,009,431**	**248,855**	**26,080**	**1,371,441**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Note	2020 ZW$ 000	2019 ZW$ 000
Net cash generated from operating activities		**416,235**	**109,389**
Cash generated from operations	26	442,170	140,023
Dividend Paid	25	(8,416)	(10,340)
Interest paid	22	(7,276)	(20,294)
Taxation paid		(10,243)	-
Net cash utilised in investing activities		**(46,400)**	**(95,459)**
Purchase of vehicles and equipment to increase operations	6	(54,473)	(99,079)
Extension of investment properties	7	-	(63)
Proceeds from sale of vehicles and equipment		8,073	3,683
Net cash utilised in financing activities		**(34,183)**	**(1,237)**
Proceeds from borrowings	16	10,422	29,330
Payment of deferred consideration	16	(225)	-
Principal payment of lease liabilities	9	(1,254)	(1,714)
Repayments of borrowings	16	(43,126)	(28,853)
Increase in cash and cash equivalents		**335,652**	**12,693**
Cash and cash equivalents at beginning of year		36,547	(30,205)
Net foreign exchange differences		6,925	7,909
Monetary gain/ (loss)		(328,494)	46,150
Cash and cash equivalents at end of year		**50,630**	**36,547**
Disclosed as:			
Cash and cash equivalents	13	50,628	36,547
Assets held for sale	30	2	-
		50,630	36,547

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Unifreight Africa Limited (formerly Pioneer Corporation Africa Limited) was incorporated in Zimbabwe in 1970. It is the holding company of a Group of companies primarily involved in the road transport industry whose main activities include inter-city freight consolidations, the distribution of general goods, and a courier service. Swift the Group's principle revenue generating brand turned 70 years in 2016.

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

These Group consolidated financial statements are presented in Zimbabwean Dollars and were authorised for issue by the Board of Directors on 30 September 2021.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the international Accounting Standards Board (IASB) with the exception to IAS 21 Effects of Changes in Exchange Rates on accounting for change in functional currency, IAS 29 Financial reporting in hyperinflationary economies, IAS 8 Accounting policies, change in accounting estimates and errors and IFRS 13 fair value measurement. The accounting policies are applied consistently throughout the Group. The consolidated financial statements are presented in Zimbabwean dollars (ZW$) and all values are rounded to the nearest 1 000 dollars except where otherwise stated.

The consolidated financial statements are prepared using the general purchasing power of the functional currency for the purposes of fair presentation in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) using the back stop date of 1 January 2019. This historical cost information has been restated for changes in the general purchasing power of the Zimbabwe dollar and as a result are stated in terms of the measuring unit current at the end of the reporting period. Accordingly, the inflation adjusted consolidated financial statements represent the primary financial statements of the Group. The historical cost financial statements have been provided by way of supplementary information.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.1.1 (a) Inflation adjustment

The Public Accountants and Auditors Board (PAAB) in their circular 01/19 communicated that the factors and characteristics to apply IAS 29, Financial Reporting in Hyper-Inflationary Economies had been met in Zimbabwe. The pronouncement require that entities reporting in Zimbabwe apply the requirements of IAS 29 with effect from 1 July 2019.

IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and the corresponding figures for the previous period be stated in the same terms. The restatement has been calculated by means of conversion factors derived from the consumer price index. The Group used the following inflation adjustment factors derived from the monthly Consumer Price Indices as published by the Reserve Bank of Zimbabwe:

Period / Month	Factor
Prior year	4.4859
Jan-20	4.3882
Feb-20	3.8654
Mar-20	3.0534
Apr-20	2.5956
May-20	2.2544
Jun-20	1.7122
Jul-20	1.2633
Aug-20	1.1650
Sep-20	1.1221
Oct-20	1.0751
Nov-20	1.0422
Dec-20	1.0000

The main procedures applied for the above-mentioned restatements are as follows:

- Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the monetary unit current at the reporting date. Monetary items are money held and items to be recovered or paid in money.

- Non-monetary assets and liabilities that are not carried at amounts current at the reporting date and components of shareholders' equity are restated by applying the relevant monthly conversion factors.

- Comparative financial information was converted using an adjusting factor of 4.4859 based on the Consumer Price Index (CPI) to hyper-inflate the amounts. As required by IAS 29, the revaluation reserve from 2018 financial year was eliminated through retained earnings.

- All items of the income statements are restated by applying the relevant monthly, yearly average or year-end factors

The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents. The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

IAS 29 requires that the restated amount of a non-monetary item be reduced, in accordance with the appropriate IFRSs, when it exceeds its recoverable amount. Accordingly, The Group assesses that the restated values of inventory are not above what it expects to realise from the sale of the inventory in the ordinary course of business. The restated carrying of vehicles and equipment is tested for impairment in accordance with the requirements of IAS 36, Impairment of assets.

(b) Statement of compliance

"The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), promulgated by the International Accounting Standards Board (IASB) with the exception to IAS 21 Effects of Changes in Exchange Rates on accounting for change in functional currency, IAS 8 Policies, changes in accounting estimates and errors, IAS29 Financial statement reporting in hyperinflationary economies and IFRS 13 fair value measurement. Due to the inability of the Group to comply with both IAS 21 requirements and the laws and regulations stemming from Statutory Instrument ("SI") 33. SI 33 recognised RTGS dollars as a currency which was later recognised as Zimbawean dollars. For accounting purposes, the SI required all assets and liabilities that were, immediately before the effective date, valued and expressed in United States dollars on and after the effective date (22 February 2019) be deemed to be values in RTGS dollars at a rate of one-to-one to the United States dollar. This was in contravention of IAS 21 which requires the exchange rate to be market related. The consolidated financial statements therefore do not comply with the Zimbabwe Companies and other business entities Act and the Zimbabwe Stock Exchange (ZSE) Listing Requirements. The principal accounting policies applied in the preparation of these consolidated annual financial statements are except, where stated consistent with those applied in the previous annual financial statements.

(c) Going concern.

The Directors assess the ability of the Group to continue operating as a going concern at the end of each financial year. As at 31 December 2020, the Directors have assessed the Group will continue operating as a going concern in the near foreseeable future and believe that the preparation of these financial statements on a going concern basis is therefore still appropriate.

2.1.2 Changes in accounting policies and disclosures.

2.1.2 (a) New and ammended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

2.1.2 Changes in accounting policies and disclosures. *(Continued)*

2.1.2 (a) New and ammended standards adopted by the Group

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Issued but not yet effective
Amendments to IFRS 16 Covid-19 Related Rent Concessions
Effective for annual periods beginning on or after 1 June 2020.

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.The group is still assessing the impact on the consolidated financial statements of the Group.

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Effective for annual periods beginning on or after 1 January 2021

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). This ammandement has no effect on the consolidated financial statements of the Group."

Reference to the Conceptual Framework – Amendments to IFRS 3

Effective for annual periods beginning on or after 1 January 2022.

"In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. This ammandement has no effect on the consolidated financial statements of the Group. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. This ammandement has no effect on the consolidated financial statements of the Group.

2.1.2 Changes in accounting policies and disclosures. *(Continued)*

2.1.2 (a) New and ammended standards adopted by the Group

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

Effective for annual periods beginning on or after 1 January 2022.

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The group is still assessing the impact on the consolidated financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

Effective for annual periods beginning on or after 1 January 2022.

"In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The group is still assessing the impact on the consolidated financial statements of the Group."

Classification of Liabilities as Current or Non-current - Amendments to IAS 1
Effective for annual periods beginning on or after 1 January 2023.

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.
The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification. The group is still assessing the impact on the consolidated financial statements of the Group.

2.2 Consolidation, Business Combinations and Goodwill

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Unifreight Africa Limited and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income and financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

2.2 Consolidation, Business Combinations and Goodwill *(Continued)*

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between continuing operations of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non – controlling interest.
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO who makes strategic decisions.

2.4 Foreign currency translation

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

The Group adopted 22 February 2019 as the effective date for change of functional currency. SI 33 of 2019 became effective on 22 February 2019 the date it was gazzetted. The spot rate as at 22 February 2019 onwards was determined as the market exchange rate at which the company was trading.

(b) Group companies

The results and financial position of all the Group entities (all of which are a currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the reporting date;
(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognised in other comprehensive income.

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. Exchange differences arising are recognised in other comprehensive income.

2.5 Vehicles and equipment

Vehicles and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, vehicles and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, vehicles and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Motor vehicles	3 - 15 years
Equipment, furniture and fittings	3 - 10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of vehicles and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of vehicles and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.6 Investment property

Property that is held for long-term rental yields or for capital appreciation or both; and that is not occupied by the companies in the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs include those incurred for the purpose of acquiring, constructing or producing a qualifying asset. After initial recognition, investment property is carried at cost less subsequent depreciation and impairment losses.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit and loss in the period of derecognition.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, vehicles and equipment up to the date of change in use.

Investment property comprises land and buildings. Land is not depreciated. Depreciation on buildings is calculated using the straight-line method over 50 years.

Refer Note 2.19 for impairement of investment properties

2.7 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.7.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as Financial assets at amortised cost.

2.7 Financial instruments – initial recognition and subsequent measurement *(Continued)*

2.7.1 Financial assets

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Critical accounting estimates and assumptions - Note 4
- Trade receivables - Note 12

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group used year on year inflation and Consumer price index as forward looking factors for the purpose of calculating ECL. The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

2.7 Financial instruments – initial recognition and subsequent measurement *(Continued)*

2.7.2 Financial liabilities

Financial liabilities at armotised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans, borrowings and deferred consideration.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.7.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method for Uniforms and Stationery. Cost of Spares, Fuel, tyres, oils and lubricants is determined using the first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position compriseconsist of cash, short-term deposits and bank overdraft with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents is as defined above net of bank overdrafts.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.11 Current and deferred tax

Current income tax

Current income tax assets and liabilities 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 substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or 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

2.11 Current and deferred tax *(Continued)*

Deferred tax

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 credits and unused tax losses can be utilised, except:

- When the deferred 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

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value Added Tax

Revenue, expenses and assets are recognised net of the amount of value added tax, except:

a) where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable

b) Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivable or payables in the statement of financial position

2.12 Employee benefits

(a) Pension obligations

The Group provides for pensions on retirement for all employees by means of a defined contribution pension fund which is administered by a Board of Trustees.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

2.13 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Group's provisions is made up of expenses incurred by the group of which suppliers have not provided invoices.

2.14 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies 2.20 Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable.

2.14 Leases *(Continued)*

Group as a lessee

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed as lease liabilities (see Note 9).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of land and buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments below ZW$500 000 are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.15 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's board of directors.

2.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

"The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:"

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.17 Fair value measurement

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's executive committee determines the policies and procedures for both recurring and non-recurring fair value measurement. The executive committee comprises of the Group CEO and heads of the various business units.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the executive committee after discussion with and approval by the Group's finance and audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The executive committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the executive committee analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the executive committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The executive committee, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the valuation committee and the Group's external valuers present the valuation results to the finance and audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

2.18 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.19 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.19 Impairment of non-financial assets *(Continued)*

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in Other Comprehensive Income up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually as at financial year end, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.20 Discontinued operations and assets and liabilities held for sale

The Group classifies assets and liabilities as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale or distribution is highly probable and the asset or liability is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the sale will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, vehicles and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the profit or loss.

2.21 Revenue from contracts with customers

The Group is in the business of providing transport and logistics. Revenue from contracts with customers is recognised when goods are delivered to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements.

Transport and logistics services

This revenue can be disaggregated into, transport and courier, dedicated and specialised and International distribution. All these services are provided in Zimbabwe and revenue is recognised at a point in time when delivery is made to the customer. The normal credit term is 14 to 30 days upon delivery. In determining the transaction price , the Group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer (if any).

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group therefore adopts a non-speculative approach in managing risk whilst maximising profits.

Risk management is carried out by the Board's finance and risk Committee under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 December in 2020 and 2019.

The following assumption has been made in calculating the sensitivity analyses:
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2020 and 2019.

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenues or expenses are denominated in a different currency). The Group hedges this risk by borrowing Zimbabwean dollar denominated loans to finance expenses denominated in a different currency.

As at 31 December 2020, the Group had cash and cash equivalents of USD186 266 and 18 375 Rands (2019: USD76 645.10 and 22 064.50 Rands). The Group also has trade payables of USD 177 239.75 and 2 074 314.45 Rands (2019: USD86 572.50 and 546 091.24 Rands). The following table demonstrates the sensitivity to a reasonable possible change in the US$ and Rand exchange rate.

	Change in rates	Effect on profit/ (Loss) before tax
2020	+10%	2,155,266
	-10%	(2,155,266)
2019	+10%	805,968
	-10%	(805,968)

(ii) Interest rate risk

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. There is no impact on equity.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonable possible change in the interest rates, the same assumptions used for foreign exchange risk have been applied:

3 Financial risk management *(Continued)*

3.1 Financial risk factors

	Change in rates	Effect on Loss before tax
2020	1%	32,857
	-1%	(32,857)
2019	1%	147,393
	-1%	(147,393)

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Management assess the quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set by the Audit and Finance Committee of the Board. The utilisation of credit limits is regularly monitored.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any freight services to major customers are generally covered by service level agreements. At 31 December 2020, the Group had 37 customers (2019: 22) that owed it more than ZW$1 million each and accounted for approximately 61% (2019: 67%) of all the receivables and contract assets outstanding. There were 1 customer (2019: 0 customers) with balances greater than ZW$10 million accounting for just over 8% (2019: 0%) of the total amounts of receivable and contract assets.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for all customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as high, as its customers are located in one jurisdiction which is faced with deteriorating economy and operating in a largely controlled market.

(b) Credit risk

Trade receivables and contract assets

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix. The full extent of Covid-19 and its effect on repayments by customers is still being assessed by the Group.

31 December 2020

	Current 000	30 Days 000	60 Days 000	90 Days 000	120 Days 000	150 Days 000	180 Days 000	Total
Expected credit loss rate	4%	9%	26%	59%	100%	100%	100%	
Estimated total gross carrying amount at default	125,115	19,808	4,950	1,791	1,238	639	760	154,301
Expected credit loss	**5,005**	**1,783**	**1,287**	**1,057**	**1,238**	**639**	**760**	**11,768**

31 December 2019

	Current 000	30 Days 000	60 Days 000	90 Days 000	120 Days 000	150 Days 000	180 Days 000	Total
Expected credit loss rate	7%	15%	45%	100%	100%	100%	100%	
Estimated total gross carrying amount at default	75,893	19,357	3,669	776	467	87	343	100,592
Expected credit loss	**5,311**	**2,903**	**1,651**	**776**	**467**	**87**	**343**	**11,538**

3 Financial risk management *(Continued)*

3.1 Financial risk factors

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve which comprises undrawn borrowing facility, cash and cash equivalents on the basis of expected cash flow and funds from the major shareholder.

The table below shows the maturity profile of the Group's liabilities based on undiscounted contractual cash flows.

At 31 December 2020	Up to 1 month ZW$ 000	2 to 6 months ZW$ 000	6 months to 1 year ZW$ 000	1 to 5 years ZW$ 000	Total ZW$ 000
Liabilities					
Trade and other payables	23,836	48,392	2,640	-	74,868
Deferred consideration	23	50	-	-	73
Lease liabilities	625	3,125	3,750	80,625	88,125
Borrowings	1,083	6,455	-	-	7,538
Total liabilities	**25,567**	**58,022**	**6,390**	**80,625**	**170,604**
At 31 December 2019					
Liabilities					
Trade and other payables	25,811	67,778	3,703	-	97,292
Deferred consideration	97	507	643	-	1,247
Lease liabilities	153	772	924	19,859	21,708
Borrowings	2,663	13,329	14,454	13,323	43,769
Total liabilities	**28,723**	**82,385**	**19,725**	**33,182**	**164,015**

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is total group borrowings less cash and cash equivalents. Total capital is the sum of Share capital and all reserves of the Group. The gearing ratio at 31 December 2020 was -2% (2019 - 0%).

	2020 ZW$ 000	2019 ZW$ 000
Total borrowings	7,538	43,768
Less: cash and cash equivalents	(50,628)	(36,548)
Net debt	(43,090)	7,220
Total equity	1,371,442	1,456,074
Total capital	1,328,352	1,463,294
Gearing ratio	-3%	0%

The group has excess cash which will be utilised in capital expenditure.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Provision for expected credit losses of trade receivables

"The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the transport and logistics industry, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future."

(b) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Refer note 17 and note 23 for more information on income taxes.

(c) Useful lives and values of vehicles and equipment

The Group management determines the estimated useful lives and related depreciation charges for its property, equipment and vehicles and intangible assets. This estimate is based on projected lifecycles for these assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Refer note 6 for the carrying amount of property, vehicles and equipment and accounting policy note 2.5 for useful lives.

(d) Going concern

The Directors assess the ability of the Group to continue operating as a going concern at the end of each financial year.

Directors considered the following events or conditions that, individually or collectively, may cast significant doubt about the going concern assumption:

Financial

- Net liability or net current liability position.
- Fixed-term borrowings approaching maturity without realistic prospects of renewal or repayment; or excessive reliance on short-term borrowings to finance long-term assets.
- Indications of withdrawal of financial support by debtors and other creditors.
- Negative operating cash flows indicated by historical or prospective financial statements.
- Adverse key financial ratios.
- Substantial operating losses or significant deterioration in the value of assets used to generate cash flows.
- Arrears or discontinuance of dividends.
- Inability to pay creditors on due dates.
- Inability to comply with other terms of loan agreements.
- Change from credit to cash-on-delivery transactions with suppliers
- Inability to obtain financing for essential new product development or other essential investments.

4 Critical accounting estimates and judgements *(Continued)*

(d) Going concern

Operating
- Shortages of important supplies.
- Loss of key management without replacement.
- Loss of a major market, franchise, license, or principal supplier.
- Labor difficulties

Other
- Pending legal or regulatory proceedings against the entity that may, if successful, result in claims that are unlikely to be satisfied.
- Non-compliance with capital or other statutory requirements.

As ta 31 December 2020, the Directors have assessed the Group will continue operating as a going concern and believe that the preparationof these financial statements on a going concern basis is therefore still appropriate.

(e) Impairment of intangible and non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cashflow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangible assets with indefinite useful lives recognised by the Group.

(f) Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods 'covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered 'by an option to terminate the lease, if it is reasonably certain not to be exercised

The Group has several lease contracts that include extension options. The Group applies 'judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew ' the lease. That is, it considers all relevant factors that create an economic incentive for it to 'exercise either the renewal or termination. After the commencement date, the Group reassesses the lease 'term if there is a significant event or change in circumstances that is within its control and affects its ability 'to exercise or not to exercise the option to renew (e.g., construction of significant leasehold 'improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of land and buildings with 'shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for 'these leases because there will be a significant negative effect on operations if a replacement asset is not 'readily available. The renewal periods for leases of land and buildings with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised.

(g) Property lease classification – Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of 'the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts 'for the contracts as operating leases.

4 Critical accounting estimates and judgements *(Continued)*

(h) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(i) Classification of Tredcor (Private) Limited as an associate

On 23 March 2015 the group decided to focus its efforts solely on the Swift and Bulwark operation and ceased to exercise its rights to direct the management and financial activities of Tredcor which had been previously consolidated as a subsidiary due to its 51% shareholding. From 30 June 2016 the group gave up its 51% controlling interest in the unquoted shares of Tredcor (Private) Limited. Management judged that the formalisation of this decision through a shareholders agreement, in compliance with IFRS 10 resulted in the group losing control and from the date of signing the agreement, the 51% investment was classified as an investment in associate. Management contractually gave up their control but maintained a director on the board and as a result of this representation management has concluded that they have significant influence over Tredcor, hence the classification as an investment in associate.

5a Revenue from contracts with customers

5a.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

For the year ended 31 December 2020

	Transport and Courier ZW$ 000	Dedicated and Specialised ZW$ 000	International distribution logistics ZW$ 000	Total ZW$ 000
Type of service				
Transport and logistics	1,245,021	258,804	14,669	1,518,494
Geographical Markets				
Zimbabwe	1,245,021	258,804	14,669	1,518,494
Timing of Revenue Recognition				
Services transferred at a point in time	1,245,021	258,804	14,669	1,518,494

For the year ended 31 December 2019
Transport and Courier

	Transport and Courier ZW$ 000	Dedicated and Specialised ZW$ 000	International distribution logistics ZW$ 000	Total ZW$ 000
Type of service				
Transport and logistics	1,111,179	196,147	21,528	1,328,854
Geographical Markets				
Zimbabwe	1,111,179	196,147	21,528	1,328,854
Timing of Revenue Recognition				
Services transferred at a point in time	1,111,179	196,147	21,528	1,328,854

5a.2 Contract Balances
31 December

	2020 ZW$ 000	2019 ZW$ 000
Trade Receivables	**154,301**	**100,592**

Trade receivables are non-interest bearing and are generally on terms of 14 to 30 days. In 2020, ZW$11 767 662 (2019: ZW$11 539 058) was recognised as provision for expected credit losses on trade receivables.

5a Revenue from contracts with customers *(Continued)*

5a.3 Perfomance Obligations

Freight Delivery
The perfomance obligation is satisified at the time of delivery of freight and payment is generally due within 7 to 30 days from delivery

5b Segment Information

The Group whas been restructured and reorganised to show a one-company-one-focus business, providing a transport and logistics solution. All non-Zimbabwean transport and logistics entities are shown as discontinued.

The investment property companies' performance is shown as a separate segment.

The segment results for the year ended 31 December 2020 are as follows:

	Transport and Logistics solution ZW$ 000	Investment property ZW$ 000	Con-solidated ZW$ 000
Total segment revenue	1,518,494	-	1,518,494
Total revenue to discontinued operations	-	-	-
Total revenue continuing operations	**1,518,494**	**-**	**1,518,494**
Operating costs	(1,204,399)	(8,729)	(1,213,128)
Other income	44,803	17,468	62,271
Movement in expected credit losses	(230)	-	(230)
EBITD	**358,668**	**8,739**	**367,407**
Net finance costs	(7,276)	-	(7,276)
Depreciation	(194,579)	(12,721)	(207,300)
Monetary Gain	(138,501)	(66,953)	(205,454)
Net profit before income tax	**18,312**	**(70,935)**	**(52,623)**
Income tax (charge)/ credit	(26,764)	3,170	(23,594)
Profit for the year	(8,452)	(67,765)	(76,217)
Statement of financial position as at 31 December 2020			
Assets			
Non-current assets	1,077,596	463,603	1,541,199
Current assets	341,810	10,468	352,278
Assets held for sale	-	45,059	45,059
Total assets	**1,419,406**	**519,130**	**1,938,536**
Liabilities			
Non-current liabilities	380,235	1,106	381,341
Current liabilities	174,211	2,282	176,493
Liabilities held for sale	-	9,260	9,260
Total liabilities	**554,446**	**12,648**	**567,094**

5a Revenue from contracts with customers *(Continued)*

5b Segment Information

The segment results for the year ended 31 December 2019 are as follows:

	Transport and Logistics solution ZW$ 000	Investment property ZW$ 000	Con- solidated ZW$ 000
Total segment revenue	1,328,854	-	1,328,854
Total revenue to discontinued operations	-	-	-
Total revenue continuing operations	**1,328,854**	**-**	**1,328,854**
Operating costs	(1,002,669)	(4,716)	(1,007,385)
Other income	12,011	16,681	28,692
Movement in credit losses	(10,300)	-	(10,300)
EBITD	**327,896**	**11,965**	**339,861**
Net finance costs	(20,294)	-	(20,294)
Depreciation	(85,101)	(4,747)	-89,848
Monetary Gain	70,174	77,121	147,295
Net profit before income tax	**292,675**	**84,339**	**377,014**
Income tax	(261,290)	(98,780)	(360,070)
Profit for the year	31,385	(14,441)	16,945
Statement of financial position at 31 December 2019			
Assets			
Non-current assets	1,122,834	522,769	1,645,603
Current assets	355,321	10,540	365,861
Total assets	**1,478,155**	**533,309**	**2,011,464**
Liabilities			
Non-current liabilities	369,986	22,728	392,714
Current liabilities	158,440	4,236	162,676
Total liabilities	**528,426**	**26,964**	**555,390**

6 Vehicles and equipment

	Motor vehicles ZW$ 000	Equipment, furniture and fittings ZW$ 000	Total ZW$ 000
At 1 January 2019			
Cost	619,492	67,251	686,743
Accumulated depreciation	(257,270)	(63,587)	(320,857)
Net carrying amount	**362,222**	**3,664**	**365,886**
Year ended 31 December 2019			
Opening net book amount	362,222	3,664	365,886
Currency conversion	601,869	59,525	661,394
Additions	98,026	1,053	99,079
Disposals	(1,189)	-	(1,189)
Cost	2,239	-	2,239
Accumulated depreciation	(1,050)	-	(1,050)
Depreciation charge	(83,365)	(238)	(83,603)
Closing net carrying amount	**977,563**	**64,005**	**1,041,568**
At 1 January 2020			
Cost	1,318,200	127,829	1,446,029
Accumulated depreciation	(340,637)	(63,824)	(404,461)
Net carrying amount	**977,563**	**64,005**	**1,041,568**
Year ended 31 December 2020			
Opening net book amount	977,563	64,005	1,041,568
Additions	51,006	3,467	54,473
Disposals	(36,074)	-	(36,074)
Cost	37,921	-	37,921
Accumulated depreciation	(1,847)	-	(1,847)
Depreciation charge	(169,828)	(10,942)	(180,770)
Closing net carrying amount	**822,667**	**56,530**	**879,197**
At 31 December 2020			
Cost	1,331,285	131,296	1,462,581
Accumulated depreciation	(508,618)	(74,766)	(583,384)
Net carrying amount	**822,667**	**56,530**	**879,197**

The category of motor vehicles includes vehicles used as security on borrowings used to finance their purchase, the vehicles have the following carrying amounts:

	2020 ZW$ 000	2019 ZW$ 000
Cost	-	40,028
Accumulated depreciation	-	(11,107)
Net carrying amount	-	28,921

7 Investment Property

	2020 ZW$ 000
At 1 January 2019	
Opening net carrying amount	194,863
Depreciation charge	(25,839)
Closing net carrying amount	**169,024**
Year ended 31 December 2019	
Opening net carrying amount	169,024
Currency conversion	358,325
Additions	63
Depreciation charge	(4,643)
Net carrying amount	**522,769**
At 1 January 2020	
Cost	553,251
Accumulated depreciation	(30,482)
Net carrying amount	**522,769**
Year ended 31 December 2020	
Opening net carrying amount	522,769
Depreciation charge	(12,721)
Transfer to Assets Held For Sale	(46,445)
Closing net carrying amount	**463,603**
At 31 December 2020	
Cost	488,509
Accumulated depreciation	(24,906)
Net carrying amount	**463,603**

"Fair value of the investment properties (noted below) was determined by using the implicit investment approach. This method is based on the principle that rentals and capital values are inter-related, hence given income produced by a property, its capital value can be estimated. At the date of valuation, 31 December 2020, the investment properties' fair values are based on valuations performed by Dawn Property Consultancy (Private) Limited, an accredited independent valuer. The current use of the investment properties have been evaluated as the highest and best use options for the properties."

Valuation Technique	Significant unobservable data	Range
Market comparable method	Rentals per square metre	US$2.00-US$3.00 (2019:US$1.00 - US$3)

Valuers relied on USD inputs, an interbank exchange rate of 81.7866 was used to convert the USD values to ZW$.

Some Group properties are pledged as collateral for the group's borrowings. Refer to note 16 for the details of the assets pledged as collateral.

	2020 ZW$ 000	2019 ZW$ 000
Rental income derived from investment properties	17,464	16,697
Direct operating expenses (including repairs and maintenance) generating rental income	(8,057)	(4,715)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(20,087)	(4,746)
	(10,680)	7,236

The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierachy	Level 1 ZW$ 000	Level 2 ZW$ 000	Level 3 ZW$ 000	Total Fair Value ZW$ 000
Investment property - 31 December 2020	-	-	447,862	447,862
Investment property - 31 December 2019	-	-	448,455	448,455

		2020 ZW$ 000	2019 ZW$ 000
8	**Intangible asset**		
	Carrying amount at 1 January	41,796	41,796
	Carrying amount at 31 December	41,796	41,796

The intangible asset was acquired in a business combination and relates to the intellectual property rights in relation to the SWIFT name.

The intangible asset has been evaluated as having an indefinite useful life as the brand name is very popular in Zimbabwe and is expected to continue as such for the forseeable future. The Group performed its annual impairment test for its intangible assets with an indefinite useful life and there was no impairment recorded. The Group based the recoverable amount of the cash generating unit on a value in use calculation. The following key assumptions were used in the value in use calculation:
- Carrying amount of the intangible asset was allocated to the SWIFT cash generating unit
- Discount rate of 45%
- Growth rates used to extrapolate cash flows beyond the forecast period of 10%
- After incorporating any consequential effects, the assumptions change after 5 years

9 Leases

The Group has lease contracts for various land and buildings used in its operations. Leases of land and buildings generally have lease terms between 5 and 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning, and subleasing the leased assets. There are several lease contracts that include extension options and which are further discussed below.

The Group also has certain leases of land and buildings with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. There are no rental payments for extension options not expected to be excercised.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land and Buildings ZW$ 000
As at 1 January 2019	**41,073**
Depreciation expense	(1,602)
As at 31 December 2019	**39,471**
As at 1 January 2020	**39,471**
Modification	129,253
Depreciation expense	(12,121)
As at 31 December 2020	**156,603**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 ZW$ 000
As at 1 January	**10,102**
Interest Accrual	4,015
Modification	129,253
Payments	(5,269)
Net monetary loss	(99,519)
As at 31 December	**38,582**
Current	1,482
Non-current	37,100

9 **Leases** *(Continued)*

	2019 ZW$ 000
As at 1 January	**41,073**
Interest Accrual	1,467
Payments	(1,714)
Net monetary loss	(30,724)
As at 31 December	**10,102**
Current	315
Non-current	9,787

The maturity analysis of lease liabilities are disclosed in Note 3.1(c)
Weighted Average Borrowing rate of 15.9% was used to discount future lease payments.
The following are the amounts recognised in profit or loss:

	2020 ZW$ 000
Depreciation expense of right-of-use assets	12,121
Interest expense on lease liabilities	4,015
Expense relating to short-term and low value leases	75,423
Total amount recognised in profit or loss	**91,559**

	2019 ZW$ 000
Depreciation expense of right-of-use assets	1,602
Interest expense on lease liabilities	1,467
Expense relating to short-term and low value leases	57,704
Total amount recognised in profit or loss	**60,773**

The Group had total cash outflows for leases of ZW$83 776 097.34 in 2020 (ZW$59 114 504.15 in 2019).

Group as a lessor
The Group has entered into operating leases on its investment property portfolio consisting of certain office, residential and warehousing buildings (see Note 7). These leases have terms 1 year. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group during the year is ZW$3 722 135 (2019: ZW$2 806 567).

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2020 ZW$ 000
Within one year	24,865
After one year but not more than five years	
More than five years	

	2019 ZW$ 000
Within one year	21,824
After one year but not more than five years	-
More than five years	-

10 Financial instruments by category

	Financial assets at amortised cost 2020 ZW$ 000	Financial assets at amortised cost 2019 ZW$ 000
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments and VAT receivable)	132,754	116,442
Cash and Cash Equivalents	50,628	36,548
	183,382	152,990

	financial liabilities 2020 ZW$ 000	financial liabilities 2019 ZW$ 000
Liabilities as per statement of financial position		
Loans and borrowings	7,538	43,769
Trade and other payables	74,868	97,293
Deferred consideration	73	1,249
Total	82,479	142,311

11 Inventories

	2020 ZW$ 000	2019 ZW$ 000
Spares, fuel and stationery	126,423	203,619
Write-down of inventories to net realisable value	-	-
	126,423	203,619
Movements in write-down of inventories to net realisable value are as follows		
At 1 January	-	1,310
Write-down of inventories to net realisable value provision reversed	**-**	**(1,310)**

Inventories are written-off when they are either damaged or they have become wholly or partially obsolete. There are no inventories pledged as security for liabilities for the year 2020 and 2019
Inventories with a carrying amount of ZW$140 510 383 (2019: ZW$110 875 376) were recognised as an expense.

12 Trade and other receivables

	2020 ZW$ 000	2019 ZW$ 000
Current		
Trade receivables	154,301	100,592
Receiveables due from related parties (note 28)	3,798	3,252
Less: provision for impairment	(11,768)	(11,538)
Trade receivables - net	146,331	92,306
Prepayments	3,383	9,032
Staff debtors	648	148
VAT receivable	82	221
Other debtors	24,783	23,988
	175,227	**125,695**
Trade and other receivables are non-interest bearing and are generally on terms of 30 days		
The ageing analysis of these past due but not impaired receivables is as follows:		
Up to 3 months	2,243	10,219
3 to 6 months	-	326
	2,243	**10,545**

As at 31 December 2020 trade and other receivables of ZW$6 741 834 (2019: ZW$ 11 539 058) were past due and impaired.

12 Trade and other receivables *(Continued)*

As at 31 December 2020 trade and other receivables of ZW$125 113 729 (2019: ZW$ 63 869 706) were not yet due.
The carrying amounts of the Group's trade and other receiveables are denominated in Zimbabwean Dollars (ZW$).
The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.
The Group does not hold any collateral as security.
Movements on the provision for impairment of trade receivables are as follows:

At 1 January	11,538	7,689
Monetary gain	-	(6,451)
Increase / (decrease) for the year	230	10,300
At 31 December	**11,768**	**11,538**

The creation and release of provision for impaired receivables have been included in operational expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets.

13 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

Cash at banks and on hand	50,628	36,547
Bank overdrafts (see note 16)	-	-
Cash and cash equivalents	**50,628**	**36,547**

14 Share capital and reserves

Share capital

	Number of shares	Ordinary shares ZW$ 000	Share premium ZW$ 000	Non-distributable Reserve ZW$ 000	Total ZW$ 000
At 31 December 2020	106,474,237	29,675	57,400	1,009,431	1,096,506
At 31 December 2019	106,474,237	29,675	57,400	1,019,735	1,106,810

The total number of authorised ordinary shares is 140 000 000 shares with a par value of 1 cents.
There are 33 525 763 unissued shares which are under the control of the directors as at reporting date. All issued shares are fully paid.

Non Distributable Reserve

The reserve arose on the conversion of United States dollar balances to the new functional currency of Zimbabwean dollars.
The Group applied a policy that if the underlying asset that caused the reserve is realised then the respective non-distributable reserve is reclassified directly to Retained earnings for possible distribution. Realistation happens when the related asset from which the reserve emanated is sold.

15 Trade and other payables

	2020 ZW$ 000	2019 ZW$ 000
Current		
Trade payables	56,340	43,624
Trade payables due to related parties (note 28)	6,238	3,898
Accrued expenses	12,225	34,083
Social security and other statutory liabilities	43,415	20,902
	118,218	**102,507**

Trade and other payables are non-interest bearing and are normally on 30 day terms.
Non-current trade and other payables are non-interesting bearing and will be settled within one to five years.

		2020 ZW$ 000	2019 ZW$ 000
16	**Borrowings**		
	Borrowings classified as equity		
	Shareholders' loans at beginning of year	248,855	248,855
	Transfer from shareholders' loans	-	-
		248,855	**248,855**
	Other Borrowings		
	Non-current		
	Loans and borrowings	-	13,322
	Current		
	Loans and Borrowings	7,538	30,447
		7,538	**43,769**

The following is the reconciliation of loans and borrowings for statement of cashflows purposes:

	2020 ZW$ 000	2019 ZW$ 000
Balance as at 1 January	**45,018**	**163,700**
Net Monetary Gain	(4,703)	(119,159)
Proceeds from borrowings	10,422	29,330
Payment of borrowings	(43,126)	(28,853)
Balance as at 31 December	**7,611**	**45,018**
Total Borrowings	7,538	43,769
Deferred consideration	73	1,247

Shareholders' loans

The loans are from the major shareholders and are denominated in US Dollars. These loans are unsecured, interest free and are not to be repaid or demanded in the near foreseable future. The shareholder loans were used to fund the capital expenditure requirements of the business. These loans were all reclassified to equity in 2016.

Loans and borrowings

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 lease liability is also secured by moveable Group properties with a carrying amount of ZW$ 10 658 million as at 31 December 2020

Deferred consideration

In June 2014 the company issued 51,497,587 ordinary shares as consideration for the business of Unifreight Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was ZW$ 0.05 each. The fair value of the consideration given is therefore ZW$ 71 746 861.

In addition, as part of the consideration there will be additional cash payments to Unifreight Limited of ZW$ 25,000 per month for a five (5) year period for the intellectual property rights relating to the use of the name SWIFT in perpetuity and ZW$ 19,750 per month for a three (3) year period for the information operating systems and technology relating thereto starting in 2014. In 2014 Unifreight Limited agreed to the re-payments now only starting in 2016.

As at the acquisition date, the fair value of the consideration liability was estimated to be ZW$ 46 039 630. The fair value at initial recognition was determined using discounted cash flow method using the rate of 14%. This is classified as a financial liability at amortised cost.

Reconciliation of deferred consideration	2020 ZW$ 000	2019 ZW$ 000
At 1 January	1,247	14,489
Monetary Gain	(990)	(12,157)
Payments	(225)	(1,345)
Interest expense	41	260
At 31 December	73	1,247
Disclosed as		
Deferred consideration		
Non current	-	-
Current	73	1,247
	73	**1,247**

		2020 ZW$ 000	2019 ZW$ 000
17 Deferred tax			
The gross movement on the deferred tax is as follows :			
At beginning of year		369,603	28,429
Movement in temporary differences current year	(Note 23)	(11,290)	340,470
Rebasing of tax bases		(14,072)	-
Tax loss utilised		-	2,180
Tax rate change		-	(1,476)
At end of year		**344,241**	**369,603**
Deferred tax relates to the following			
Vehicles and equipment		**190,531**	**248,882**
Investment properties		114,516	129,005
Right of use of asset		29,462	12,354
Lease liability		(9,107)	(2,499)
Inventories		5,080	-
Prepayments		179	-
Assets held for sale		10,616	-
Unrealised exchange losses		5,986	10,010
Provisions		(3,022)	(28,149)
		344,241	**369,603**

18 Retirement benefits

18.1 Defined contribution fund

The Group operates a defined contribution plan pension scheme. A Board of Trustees administers the fund. All full time and permanent employees are eligible for membership. The plan is funded by contributions by the companies in the Group and eligible employees. The company does not carry any risk associated with the pension fund. All risk is carried by the members and the company's liability is limited to the company's contribution to the fund.

18.2 National Social Security Authority

The Group and all its employees based in Zimbabwe contribute to the National Social Security Scheme promulgated under the National Social Security Act of 1989.The Group's obligation is limited to specific contributions as legislated from time to time.

Contributions to the above funds made during the current year are disclosed in note 21.

	2020 ZW$ 000	2019 ZW$ 000
19 Other operating income		
Scrap metal disposal prcoceeds	129	701
Houseboat hire	324	-
Fuel sales	33,824	7,172
Vehicle cleaning- Washbay	-	394
Profit on disposal of vehicles and equipment	-	2,498
Investment property income	16,836	16,682
Sub letting of depots	-	739
Commission Received	906	-
Other income	206	-
Trailer hire	2,112	506
Foreign exchange gains	7,700	-
RBZ Export incentives	234	-
	62,271	**28,692**

		2020 ZW$ 000	2019 ZW$ 000
20	**Operating expense**		
	Employee benefit expenses (note 21)	486,079	431,256
	Vehicle operating expenses	16,180	16,445
	Inventory recognised as an expense	140,510	110,875
	Fuel used	200,559	202,339
	Short term/ low value lease expense	75,423	54,704
	Depot/site operating expenses	126,542	31,161
	IT and communication expenses	15,563	17,37
	Forwarding and agent expenses	80,259	71,060
	Freight movement expenses	5,177	7,632
	Advertising and marketing expenses	15,174	12,623
	Printing and stationary	13,802	13,69
	Audit fees	6,168	2,926
	Write off of non exisistent assets	-	-
	Loss on disposal of vehicles and equipment	24,233	-
	Foreign exchange losses	-	27,965
	Bank charges		
	Legal fees	1,317	2,215
		1,213,128	**1,007,385**
21	**Employee benefits expense**		
	Wages and salaries (including all directors' fees and emoluments)	478,238	425,176
	Retrenchment and/or termination costs		
	Pension contributions - Defined contribution plan	1,322	1,060
	Social security contributions	6,519	5,020
		486,079	**431,256**
	Average number of people employed	812	804
22	**Finance cost**		
	Interest expense		
	- bank borrowings	3,241	18,567
	- Consideration liability	20	260
	- lease liabilities	4,015	1,467
		7,276	**20,294**
23	**Income tax**		
	Major components of income tax are:		
	Normal income tax:		
	- Current income tax	48,956	27,336
	Deferred tax:		
	- Movement in temporary differences (note 17)	(11,290)	332,033
	- Rebasing of tax bases	(14,072)	-
	- Tax rate change	-	(1,476)
	Tax Loss utilised	-	2,177
		23,594	**360,070**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidation entities as follows :

	2020 ZW$ 000	2019 ZW$ 000
Profit before tax	(52,622)	377,017
Tax calculated at 24.72% (2019:25.75%)	**(13,008)**	**97,082**
Utilisation of previously unrecognised tax losses	-	2,180
Non-taxable income - Gain on monetary position	-	(37,928)
Other non-taxable income	(8,003)	
Tax rate change	-	(1,476)
Rebasing of tax bases	(14,072)	-
Expenses not deductible for tax purposes		
- Loss on net monetary position	58,677	-
- Other non-deductible expenses	-	300,212
Tax expense	**23,594**	**360,070**

	2020 ZW$ 000	2019 ZW$ 000

23 Income tax *(Continued)*

The group has no assessed tax losses that are available for offsetting against future taxable profits of the companies in which the losses arose.

	2020 ZW$ 000	2019 ZW$ 000
Opening Balance	28,162	829
Payment	(10,243)	-
Current income tax	48,953	27,333
Monetary gain	(17,690)	-
Income tax payable	**49,182**	**28,162**

24 Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. In 2020 the company had no category of dilutive potential ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2020 ZW$ 000	2019 ZW$ 000
Earnings/ (Loss) attributable to ordinary equity holders of the parent:		
Continuing operations	(76,216)	16,944
Discontinued operations	-	-
Earnings/ (loss) attributable to ordinary equity holders of the parent for basic earnings	(76,216)	16,944
The following reflects the income and share data used in the headline earnings per share computations:		
(loss)/ Profit for the year from continuing operations	(76,217)	16,944
Capital expenditure	(54,469)	(99,079)
Loss/ (Profit) on asset disposal	25,480	(2,498)
Movement in expected credit losses	14,278	10,300
loss/ (gain) on net monetary position	205,454	(147,295)
Earnings/ (loss) attributable to ordinary equity holders of the parent for headline earnings	**114,526**	**(221,628)**

There has been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements

There are no instruments that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the periods presented.

To calculate the EPS for discontinued operations (note 31), the weighted average number of ordinary shares for both the basic and diluted EPS is as per above. The following provides the profit/(loss) amount used:

Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the basic and diluted EPS calculations

	2020	2019
Weighted average number of ordinary shares for basic, headline and diluted EPS	**106,474,237**	**106,474,237**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

		2020 ZW$ 000	2019 ZW$ 000
25	**Distributions made and proposed**		
	Cash dividends on ordinary shares declared and paid:		
	Final dividend for 2020: 1.20 cents per share (20119: 1.75 cents per share)	8,416	5,733
	Interim dividend for 2020: 0.96 cents per share (2019: 0.00 cents per share)	-	4,607
26	**Cash generated from operations**		
	Profit before tax from continuing operations	(52,623)	377,014
	Loss before tax from discontinued operations	-	-
	Adjusted for :		
	Gain on net monetary position	205,454	(147,295)
	-Unrealised exchange losses	6,925	-
	- Depreciation	207,300	89,848
	- (Profit)/ Loss on disposal of property, vehicles and equipment	24,233	2,499
	- Net finance cost	7,256	20,043
	- Interest on consideration liability	20	260
	- Increase in provision for doubtful debts expensed	230	(10,300)
	- Inventory write off	-	(1,310)
	Changes in working capital:		
	- Inventories	77,196	(158,563)
	- Trade and other receivables	(49,532)	(119,015)
	- Trade and other payables	15,711	86,842
	Cash generated from operations	**442,170**	**140,023**

27 Commitments and contingent liabilities

There are no capital commitments approved for 2020 and 2019

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 ZW$ 895,800.The cases have been assessed and the probability of an outflow is minimal.

28 Related-party transactions

H.B.W. Rudland who is a Shareholder of the Company is also one of the majority shareholders and/ or director of the companies indicated below with whom the Group has significant contracts and common shareholding with the Group.

The following transactions were carried out with related parties:

(i) Purchase of goods and services from entities with common shareholding:

	2020 ZW$ 000	2019 ZW$ 000
- Purchase of vehicle/spares/services from Scanlink (Private) Limited	24,108	
- Tyres from Tredcor	14,225	2,629
- Rental charges by Unifreight Limited	20,649	2,970
	58,982	**5,599**

Goods and services are purchased based on the price list in force and terms that would be available to third parties on an arms-length basis

(ii) Year end balance arising from purchases of goods and services

	2020 ZW$ 000	2019 ZW$ 000
Payables to related parties		
- Scanlink (Private) Limited	4,697	942
- Trentyre	1,541	-
- Unifreight (Private) Limited	-	2,956
	6,238	3,898
(iii) Year end balance arising from sales of goods and services		
Receivables due from related parties		
- Scanlink (Private) Limited	694	440
- Unifreight Tyre services (Private) Limited	-	1,628
- Unifreight (Private) Limited	3,102	1,009
- Umfurudzi (Private) Limited	-	175
- Trentyre	2	-
	3,798	**3,252**

28 Related-party transactions *(Continued)*

	2020 ZW$ 000	2019 ZW$ 000
(v) Directors' shareholdings		
R.E. Kuipers directly has a joint-shareholding of 3,391,041 shares.		
All other Directors have no shareholdings either directly or indirectly.		
(vi) Key management compensation		
Post employment benefits	-	386
Salaries and other short term employee benefits	11,479	6,093
	11,479	**6,479**

29 Investments in subsidiaries

Operating Companies	Business
Pioneer Clan (Botswana) (Proprietary) Limited (100%) (2019 - 100%)	Cross border freight haulage and logistics
Clan Transport Company (Private) Limited (100%) (2019 - 100%)	Road freight within Zimbabwe
Trek Transport (Private) Limited t/a Skynet Worldwide Express (100%) (2019 - 100%)	Courier services
Clan Properties (Private) Limited (100%) (2019 - 100%)	Property-owning
Kirkman & Kukard (Private) Limited (100%) (2019 - 100%)	Property-owning
Birmingham Road Property (Private) Limited (100%) (2019 - 100%)	Property-owning
Clan Services (Private) Limited (100%) (2019 - 100%)	Investment owning
Pioneer Clan Holdings (Botswana) (Proprietary) Limited (100%) (2019 - 100%)	Investment owning

30 Assets held for sale

Tredcor (Private) Limited (Tredcor)

At 7 August 2020 the board of directors resolved to dispose of its 51% investment in Tredcor (Private) Limited (Tred) which was previously classified as an associate. On 22 September 2020 an agreement was signed with Zimplow Holdings Limited (Zimplow) in terms of which the Group will dispose its 51% shareholding in Trek for ZW$67 633 926.98 payable in the form of 18 399 564 newly issued Zimplow shares. This disposal is effetive 30 June 2021. Due to the associate being loss making, the equity accounted investment in associate value is nil (2019:nil)

The following table illustrates the summarised financial information of the Group's investment in Tredcor (Private) Limited:

	2020 ZW$ 000	2019 ZW$ 000
Current assets	25,488	18,073.40
Non-current assets	137,108	116,076.45
Current liabilities	109,182	88,873
Non-current liabilities	33,443	27,988
Equity	(48,080)	(50,762)
Group's share in equity – 51% (2019: 51%)	**(24,521)**	**(25,889)**
Goodwill	-	-
Group's carrying amount of the investment	-	-
Revenue	371,582	367,742
Cost of sales	(147,939)	(120,518)
Gross profit	**223,643**	**247,224**
Distribution costs	(37,570)	(35,278)
Administrative expenses	(96,610)	(90,714)
Operating profit	**89,463**	**121,232**
Foreign exchange losses	(92,841)	(329,169)
Finance expense	(7,659)	(9,756)
Net monetary gain / (loss)	23,472	343,819
Profit / (loss) before tax	**12,435**	**126,126**
Income tax expense	(9,753)	(698)
Profit / (loss) for the year	**2,682**	**125,428**
Other comprehensive income	-	-
Total comprehensive income for the year	**2,682**	**125,428**
Group's share of profit for the year	**1,368**	**63,969**

	2020 ZW$ 000
The reconciliation of share of profit/(loss) of associate since reclassification to associate after loss of control is as follows:	
2016	(9,561)
2017	(2,426)
2018	(76,765)
2019	63,969
2020	
Unrecognised losses	**(23,415)**

Birmingham Investments (Private) Limited (Birmingham)

At 7 August 2020 the board of directors resolved to dispose of its wholly-owned subsidiary Birmingham Investments (Private) Limited (Birmingham). On 22 September 2020 an agreement was signed with Zimplow Holdings Limited (Zimplow) in terms of which the Group will dispose its entire shareholding in Birmingham for a purchase consideration of ZW$57 984 401.88 payable in the form of 15 774 446 newly issued Zimplow ordinary shares. The disposal is effetive 30 June 2021.

At 7 August 2020 Birmingham Investments (Private) Limited were classified as assets/liabilities held for sale.

The results of Birmingham Investments (Private) Limited for the year are presented below:

The major classes of assets and liabilities classified as held for sale as at 31 December are as follows:

Assets	
Properties	
Investment in associate	-
Prepayments	300
Cash and cash equivalents	2
Total Assets	**45,059**
Liabilities	
Trade and other payables	66
Deferred tax	9,194
Total Liabilities	**9,260**

There hasn't been any significant change in the fair value of non current-assets since the date of classification which is 7 August 2020 upto the reporting date of 31 December 2020.

31 Covid 19 Impact

The Company wishes to comment on the Corona Virus (Covid-19) pandemic due to the impact it is has had to date and is expected to have in future on companies worldwide. Particularly, the impact on the appropriateness of the use of the going concern assumption in the preparation of the financial statements. During the lockdown, the Group was

The COVID-19 outbreak, which was declared a pandemic by the World Health Organization (WHO) on 11 March 2020, has affected the lives of people around the world. Many countries worldwide have placed either a partial or complete lockdown of their economies in order to contain the spread of the pandemic. During the year ended 31 December 2020, the country was on lockdown for an extended period (28 March 2020 - August 2020). As time progressed, the Government relaxed the lockdown restrictions in response to a decline in reported/confirmed covid-19 cases.

The company distributes food, raw materials, medical supplies that are needed for people to survive during the lockdown. Although volumes reduced by 50% during the lockdown period, the company recovered at the back of the tobacco season. The company is the main transporter of tobacco from the farmers to the auction floors. The government has allowed tobacco auction floors to open for the tobacco selling season, the company experienced high volumes from the transportation. The company has no restructuring plans in place yet but it is alive to the idea once the situation calls. Unifreight has quality assets and its leveraging on this to approach various financial institutions for working capital financing support.

31 **Covid 19 Impact** *(Continued)*

Subsequent to year end, following the resurgence of the COVID-19 pandemic, the government of Zimbabwe proclaimed of a 30-day lockdown period effective 03 January 2021. The lockdown was further extended by another 2 weeks to 15 February 2020. Following a decline in covid cases, the lockdown restrictions were relaxed with effect from 01 March 2021. The restrictions imposed by the government during the lockdown, which included reduced trading hours, closure of land borders, limited availability of public transport had an impact on the operations of the Company, as with most businesses. A further lockdown was implemented in June 2021 due to the third wave, and business hours were restricted due to the curfew to 3pm and travel was also limited to inner city only. The business did not have the full effect of these measures and was affected to a limited extent. This was due to the essential service designation which gave the organisation the exemption to trade when other non-essential services were closed."

Despite the aforementioned, management has a reasonable expectation that the Company has adequate resources to continue in operation in the foreseeable future and that the going concern basis of accounting remains appropriate. In order for the business to remain viable, management continuously reviews the way in which the Company conducts business. To date management has implemented Cost containment and cost reduction strategies are being pursued to align costs to reduced volume of activity.

As the outbreak continues to evolve, it is challenging at this point, to predict the full extent and duration of its business impact. Consequently there is still uncertainty over the future development of the outbreak and the possible impact on the Company. However due to the development of the covid-19 vaccines which are currently being administered locally, the directors are optimistic that the pandemic will not have a significant impact on the Company. The Directors, based on their interpretation of IFRS have considered the global outbreak of COVID-19 to be a non-adjusting event in terms of international accounting standard 10 ("IAS 10"), Events after the reporting period.

NOTES

(A public company incorporated in the Republic of Zimbabwe under company registration number 304/1970)
("Unifreight Africa Limited" or "the Company")

Proxy Form

For use by the Company's shareholders at the Annual General Meeting of shareholders to be held at 10:00 hours on the 28th of October 2021 in the Centenary Boardroom of the Harare Royal Golf Club, 5th Street Extension/Josiah Tongogara, Harare.

Each member entitled to attend and vote at the AGM is entitled to appoint one person as his/her proxy, who need not be a member of the Company, to attend, speak and vote in his/her stead at the AGM.

I/We ____

(Name in block letters)

Of ____

Being the holder of ___________________________shares in the Company hereby appoint

1.________________________ of ______________or failing him/her

2.________________________of ______________or failing him/her

3. the Chairman of the AGM

As my/our proxy to act for me/us at the AGM for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name in accordance with the following instructions:

INSTRUCTIONS FOR SIGNING AND LODGING THIS PROXY FORM

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the AGM", but any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable threat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, or cast them in the same way.

3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatory/ies.

4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:

   i. under a power of attorney
   ii. on behalf of a company

   unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.

5. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.

6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.

7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.

8. In order to be effective, completed proxy forms must reach the Company's transfer secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the AGM.

9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are exactly the same as those on the share register.

10. Please be advised that the number of votes a member is entitled to be determined by the number of shares recorded on the share register 48 hours before the time appointed for the holding of the meeting.

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