



Chairman's Statement

Overview

The year 2021 was characterised by a rebound in economic activity as a result of the easing of restrictions that had been implemented to combat the Covid 19 pandemic. This was a welcomed development although the operating environment remained challenging. The effect of rising inflation, volatility of exchange rates, and policy inconsistencies has affected business confidence within the economy. We have implemented measures to reduce the impact on the business and we are confident the measures will secure the future of the business.

Financial performance

We are happy to present inflation-adjusted Group Revenue of ZW\$3.212Billion which is 32% above prior year and 2% above budget. Despite this healthy growth in Sales, margins have been pressured by the rising in cost. This rise in cost is mainly because of exchange rate volatility and US Dollar inflation experienced during the year. Tonnage was 0.7% above budget and 22% up from the prior year. This increase in tonnage was a result of new business acquisition and

average growth of 50% in volume as existing customers recovered from the impact of Covid 19 restrictions. Inflation-adjusted profit for the year was ZW\$581million as compared to a ZW\$123 Million Inflation Adjusted loss the prior year. (Historical Profit ZW\$ 197 Million)

Outlook

Under the circumstances, the Board is relatively happy with the results produced during the period under review, particularly the acquisition of new revenue-earning equipment, growth in the balance sheet in real terms, and the investment in Zimplot Limited which will result in the Group enjoying benefits from the synergy. The operating environment remains challenging but we are confident that the authorities will implement measures to stabilize the exchange rate and inflation. Meanwhile, as the country gears up for the 2023 elections, the Group will continue to look for opportunities to remain profitable.

Dividend

The board has recommended the declaration of a dividend of 59 cents per share, a separate announcement will be made giving details of payment.

Appreciation

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



Peter Annesley
Chairman
28 June 2022

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2021

	Audited		Unaudited	
	2021 ZWS '000 Inflation Adj	2020 ZWS '000 Inflation Adj	2021 ZWS '000 Historical	2020 ZWS '000 Historical
ASSETS				
Non current assets	3,288,820	2,477,323	1,148,848	142,037
Property, vehicles and equipment	1,289,563	1,413,221	168,349	84,551
Investment property	732,707	745,196	18,193	18,565
Investment in equity instrument	810,258	-	810,258	-
Riqt of use of asset	389,111	251,725	150,548	37,421
Intangible assets	67,181	67,181	1,500	1,500
Current assets	538,837	566,250	528,836	336,419
Inventories	193,670	203,211	183,669	105,875
Income tax asset	300	-	300	-
Trade and other receivables	320,128	281,660	320,128	179,918
Cash and cash equivalents	24,739	81,379	24,739	50,626
Assets held for sale	-	72,428	-	2,046
TOTAL ASSETS	3,827,657	3,116,001	1,677,684	480,502
EQUITY AND LIABILITIES				
Equity	3,140,642	2,204,455	1,206,415	258,557
Share capital	47,700	47,700	1,065	1,065
Share premium	92,265	92,265	2,060	2,060
Non-distributable reserve	1,622,559	1,622,559	46,356	46,356
Fair value reserve for financial assets at FVOCI	363,985	-	476,994	-
Equity component of shareholders loans	400,009	400,009	8,931	8,931
Retained Earnings	614,124	41,922	671,009	200,145
Non current liabilities	395,687	612,971	179,941	39,845
Lease liability	154,020	59,635	154,020	37,590
Deferred tax liabilities	241,667	553,336	25,921	2,255
Current liabilities	291,328	283,690	291,328	181,980
Trade and other payables	240,459	190,023	240,459	123,706
Income tax payable	-	79,051	-	49,161
Deferred consideration	-	118	-	73
Lease liability	7,013	2,382	7,013	1,502
Loans and borrowings	43,856	12,116	43,856	7,538
Liabilities directly associated with the assets held for sale	-	14,885	-	120
TOTAL EQUITY AND LIABILITIES	3,827,657	3,116,001	1,677,684	480,502

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 December 2021

	Audited		Unaudited	
	2021 ZWS '000 Inflation Adj	2020 ZWS '000 Inflation Adj	2021 ZWS '000 Historical	2020 ZWS '000 Historical
Revenue	3,211,716	2,440,827	2,561,597	1,038,701
Operating costs	(3,209,945)	(1,949,981)	(2,392,373)	(821,640)
Movement in expected credit losses	(45,070)	(370)	(45,070)	(9,196)
Dividend Received	4,102	-	3,667	-
Other operating income	640,120	100,094	481,734	63,617
Earnings before interest, tax, depreciation and amortisation (EBITDA)	600,923	590,570	609,555	271,482
Finance costs	(44,464)	(11,696)	(38,748)	(12,281)
Depreciation	(227,355)	(333,213)	(30,740)	(13,149)
Monetary (loss)/ gain	(54,314)	(330,246)	-	-
Profit before taxation	274,790	(84,585)	540,067	246,052
Income tax expense	305,828	(37,924)	(23,692)	(48,953)
Profit/(Loss) for the year	580,618	(122,509)	516,375	197,099
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Net gain on equity instruments designated at fair value through other income	363,985	-	453,144	-
Other comprehensive income for the year, net of tax	363,985	-	453,144	-
Total comprehensive income/(loss) for the year, net of tax	944,603	(122,509)	969,519	197,099
Earnings per share				
- Basic earnings for the year attributable to ordinary equity holders of the parent (cents)	545.31	(115.06)	484.98	185.11
- Diluted earnings for the year attributable to ordinary equity holders of the parent (cents)	545.31	(115.06)	484.98	185.11

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2021

	Share capital Inflation Adj ZWS '000	Share premium Inflation Adj ZWS '000	Attributable to equity shareholders of the parent		Retained Earnings Inflation Adj ZWS '000	Total Equity Inflation Adj ZWS '000
			Non-distributable reserves Inflation Adj ZWS '000	Fairvalue reserve of financial assets at FVOCI ZWS '000		
Balance as at 1 January 2020	47,700	92,265	1,639,122	-	400,009	2,340,492
Loss for the year	-	-	-	-	(122,509)	(122,509)
Dividend	-	-	-	-	(13,528)	(13,528)
Realised portion of non-distributable reserve	-	-	(16,563)	-	16,563	-
Balance as at 31 December 2020	47,700	92,265	1,622,559	-	41,922	2,204,455
Balance as at 1 January 2021	47,700	92,265	1,622,559	-	41,922	2,204,455
Profit for the year	-	-	-	-	580,618	580,618
Dividend	-	-	-	-	(8,416)	(8,416)
Net gain on equity instruments designated at fair value through other comprehensive income	-	-	-	363,985	-	363,985
Balance as at 31 December 2021	47,700	92,265	1,622,559	363,985	614,124	3,140,642

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2021

	Audited	
	2021 Inflation Adj ZWS '000	2020 Inflation Adj ZWS '000
Net cash generated from operating activities	158,324	669,056
Cash generated from operations	227,703	710,744
Dividend paid	(8,416)	(13,528)
Interest paid	(42,355)	(11,695)
Taxation paid	(18,608)	(16,465)
Net cash utilised in investing activities	(42,294)	(74,583)
Purchase of property, vehicles and equipment increase operations	(54,469)	(87,560)
Dividend Received	4,102	-
Proceeds from sale of property, vehicles and equipment	8,073	12,977
Net cash generated/(utilised) in financing activities	6,286	(54,947)
Proceeds from borrowings	75,913	16,752
Payment of deferred consideration	(225)	(362)
Principal payment of lease liabilities	(32,932)	(2,016)
Repayments of borrowings	(36,470)	(69,321)
Increase in cash and cash equivalents	122,316	539,526
Cash and cash equivalents at beginning of year	81,383	58,746
Net foreign exchange differences	6,925	11,131
Effect of inflation on cash and cash equivalence	(185,885)	(528,020)
Cash and cash equivalents at end of year	24,739	81,383

NOTES TO THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2021

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.

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 28 June 2022.

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). The accounting policies are applied consistently throughout the Group. The consolidated financial statements are presented in Zimbabwean dollars (ZWS) and all values are rounded to the nearest 1 000 dollars except where otherwise stated.

The consolidated financial statements are initially prepared under the historical cost convention as restated for the changes in the general purchasing power of the functional currency for the purposes of fair presentation in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies). 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.

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 balance sheet 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 inflation adjustment factors derived from the monthly Consumer Price Indices as published by the Reserve Bank of Zimbabwe. The following factors were applied:

Period / Month	Factor	Period / Month	Factor
Jan-21	1.5246	Jul-21	1.2986
Feb-21	1.4737	Aug-21	1.2464
Mar-21	1.4412	Sept-21	1.1901
Apr-21	1.4187	Oct-21	1.1186
May-21	1.3835	Nov-21	1.0576
Jun-21	1.3318	Dec-21	1.0000

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

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

	Inflation Adj		Inflation Adj	
	2021 ZWS '000	2020 ZWS '000	2021 ZWS '000	2020 ZWS '000
Trade and other receivables				
Current				
Trade receivables	250,821	248,019		
Receivables due from related parties	7,988	6,105		
Less: provision for impairment	(63,985)	(18,916)		
Trade receivables - net	194,824	235,208		
Prepayments	20,822	5,441		
Staff debtors	187	1,042		
VAT receivable	723	133		
Other debtors	103,572	39,836		
	320,128	281,660		
Trade and other payables				
Current				
Trade payables			138,960	90,561
Trade payables due to related parties			36,752	10,027
Accrued expenses			33,212	19,650
Social security and other statutory liabilities			31,535	69,785
			240,459	190,023

Borrowings
Borrowings represent facilities for capital expenditure and working capital. The interest rates is 65%.

	Dec 2021	Dec 2020
	ZWS '000 Inflation Adj	ZWS '000 Inflation Adj
Shareholder loans	400,009	400,009
Equity component of shareholders loans	(400,009)	(400,009)
Loans and Borrowings	43,856	12,116
	43,856	12,116

Finance cost
Finance cost comprises the following:

	Dec 2021	Dec 2020
	ZWS '000 Inflation Adj	ZWS '000 Inflation Adj
- Bank borrowings	17,661	5,210
- Consideration liability	4	31
- Leases liabilities	26,799	6,454
	44,464	11,695
Capital expenditure Acquisition of property, vehicles and equipment	54,469	87,560

Approved capital commitments at the date of approval of financial results

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

Subsequent events
There are no adjusting or non-adjusting events after the reporting date which have an effect on the financial position of the group as at the reporting date nor require disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

This abridged inflation adjusted consolidated financial statements should be read in conjunction with the complete set of inflation adjusted consolidated financial statements for the year ended 31 December 2021 which have been audited by Ernst & Young Chartered Accountants (Zimbabwe).

An adverse opinion has been issued thereon in respect of non-compliance with the requirements of International Accounting Standard 21: "The effects of changes in Foreign Exchange rates", including historical errors not adjusted in terms of International Accounting Standard 8: "Accounting Policies, Changes in Accounting Estimates and Errors", International Financial Reporting Standard (IFRS 13) Fair Value Measurement, IAS 2 Inventories and consequential impact on the inflation adjusted amounts determined in terms of IAS 29 Financial Reporting in Hyperinflationary Economies. Additionally, the opinion was also further qualified due to the limitation of scope due to circumstances relating to the nature of our work and non compliance with International Financial Reporting Standard (IFRS) 11: Joint Arrangements.

The Independent Audit Report on the inflation adjusted consolidated financial statements is available for inspection at the registered office of the company. The engagement partner responsible for this audit is Mr. David Gwande. (PAAB Practising Certificate Number 132)



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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 10 to 52, which comprise the inflation adjusted consolidated statement of financial position as at 31 December 2021, 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 2021, 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: Inappropriate application of International Accounting Standard (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 the United States Dollars (US\$) to Real Time Gross Settlement Dollars (RTGS\$), now Zimbabwe Dollars (ZW\$), on 23 February 2019 in order to comply with Statutory Instrument 33 of 2019. The inflation adjusted consolidated financial statements is presented in ZW\$.

We however believe that the change occurred on 1 October 2018 in terms of **International Accounting Standard (IAS 21) - The Effects of Changes in Foreign Exchange Rates** 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 2021 was therefore modified as the matter emanating from 2020 had not been corrected.

Independent Auditor's Report (Continued)

Unifreight Africa Limited

Basis for Adverse Opinion(continued)

Non-compliance with IFRS: Inappropriate application of International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimates and Errors (continued)

Management has not made adjustments in current period in terms of IAS 8. The matter therefore 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 ZW\$ 1 289 563 000 (31 December 2020: ZW\$ 1 413 221 000), investment property of ZW\$ 732 707 000 (31 December 2020: ZW\$ 745 196 000) and retained earnings ZW\$ 614 123 000 (31 December 2020: ZW\$ 41 922 000).

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 ZW\$ 227 355 000 (31 December 2020: ZW\$ 333 213 000), operating expenses of ZW\$ 3 209 945 000(31 December 2020: ZW\$ 1 949 981 000) and income tax credit of ZW\$ 305 828 000 (31 December 2020: expense of ZW\$ 37 924 000) on the inflation adjusted consolidated statement of profit or loss and other comprehensive income and cashflows from operating activities on the inflation adjusted consolidated statement of cash flows.

Further to the above, corresponding amounts for inventories, non-distributable reserve, and deferred tax liabilities on the inflation adjusted consolidated statement of financial position remain misstated as they have not been corrected in terms of IAS 8. Therefore, our audit opinion on the current period's inflation adjusted consolidated financial statements is also modified because of the possible effect of this matter on the comparability of the current period's inflation adjusted consolidated financial statements.

Exchange rates used (Non-compliance with IAS 21)

For the period 1 January 2021 to 31 December 2021, management applied internally derived exchange rates to translate foreign denominated transactions and balances to the functional and reporting currency, the ZW\$. We believe that the internally derived exchange rates do not meet the definition of spot rates in terms of IAS 21 and that instead, management should have adopted the spot exchange rates derived from the Foreign Currency Auction system. The following misstatements in the table below arise on the inflation adjusted consolidated statement of financial position balances:

	31 December 2021		31 December 2020	
	Disclosed amount ZW\$	Misstatement ZW\$	Disclosed amount ZW\$	Misstatement ZW\$
Inventories	193 670 000	Could not be determined	203 211 000	Could not be determined
Trade and other receivables	320 128 000	4 938 415	281 660 000	6 469 434
Cash and cash equivalents	24 739 000	722 386	81 379 000	23 603 635
Trade and other payables	240 450 000	1 897 262	190 023 000	9 372 259

Independent Auditor's Report (Continued)

Unifreight Africa Limited

Basis for Adverse Opinion (continued)

Exchange rates used (Non-compliance with IAS 21) (Continued)

In the inflation adjusted consolidated statement of profit or loss and other comprehensive income, revenues, income taxes and operating expenses are affected. However, the misstatements cannot be quantified owing to the large volume of affected transactions. Consequently, the inflation adjusted consolidated statements of changes in equity and cashflows are also impacted.

Further to the above, corresponding amounts for Vehicles and equipment, equity component of the shareholders' loan and deferred tax liabilities remain misstated as they have not been corrected in terms of IAS 8.

Therefore, our audit opinion on the current period's inflation adjusted consolidated financial statements is also modified because of the possible effect of this matter on the comparability of the current period's inflation adjusted consolidated financial statements.

Inventory Valuation not in compliance with IFRS requirements of IAS 2 - Inventories

For the period under consideration, the Group revalued their opening spare parts inventory items from their original purchase cost to a fair value determined from the open market US\$ values. This revaluation was however not in compliance with IAS 2 which requires that inventories should be measured at the lower of cost, and net realizable value. As a consequence, the current year inventories balances of ZW\$193 670 000 could be overstated by ZW\$18 999 000, since some of the spare parts inventory items are still available as part of the year end balances.

Further to this, the First-in First-out (FIFO) method of valuing inventory has not been applied correctly by Management. Due to challenges in the valuation process during the year, the inventory at year end was valued using the last invoice received. This method assumes that all inventory items were purchased at the same time, contrary to the requirements of the FIFO method. The misstatement could however not be quantified due to the nature of the accounting records.

Consequently, operating expenses on the inflation adjusted consolidated statement of profit or loss and other comprehensive income and working capital movements on the inflation adjusted consolidated statement of cashflows are impacted.

Valuation of Investment Property for Disclosure purposes (Non-compliance with IFRS 13 - Fair Value Measurement and IAS 40 Investment Property)

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. The standard requires the fair value details to be disclosed as is described in Notes 7 and 10.1 to the inflation adjusted consolidated financial statements. The relevant fair value principles are set out in IFRS 13- *Fair Value Measurement*.

Consistent with the prior year, these investment properties were valued as guided by management experts using historical US\$ denominated inputs and converted into ZW\$ at the applicable closing exchange rates as at 31 December 2021.

Independent Auditor's Report (Continued)

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 40 Investment Property (continued)

We have concerns over the appropriateness of using a foreign currency for the valuation and then applying a conversion rate to determine the ZW\$ 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 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 ZW\$ amounts in which rentals are settled.
- 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 consider different risk factors in determining an appropriate value in ZW\$ terms which are not necessarily limited to the exchange rate.

Scope Limitation on Transactions and balances with a third party

- a) Included in the inflation adjusted consolidated financial statements are the results of the contract entered into between the entity and a third party.

In terms of the agreement, the two parties planned to expand and diversify their respective businesses by operating a Joint Venture, whereby SWIFT (a division of the company) would procure, pack and redistribute food packs through its depots with the third party selling the food packs and marketing the service. The above provisions in the contract implied that that the arrangement was to be accounted for as a joint venture under IFRS 11 -*Joint Arrangements* wherein the Group would have accounted for the investment in the joint venture as a noncurrent asset and subsequently recorded the profits or losses earned or incurred respectively by the joint venture as other income in inflation adjusted consolidated statement of profit or loss and other comprehensive income. We were however unable to determine whether the IFRS 11 conditions for recognition of an investment in joint venture had indeed been met as the information required to do so was not available.

Instead, the Group accounted for the revenues and cost of sales from the arrangement as part of normal trading with unrelated parties. As the agreement became effective in 2020, the limitation of scope extends to the prior year inflation adjusted consolidated financial statements as well.

- b) We were unable to obtain sufficient and appropriate evidence to support some of the revenue and cost of sales amounts recorded in relation to this arrangement as management were unable to provide the supporting information required to validate the amounts. As a result, we could not determine whether any adjustments might have been necessary in respect of the following accounts:

Independent Auditor's Report (Continued)

Unifreight Africa Limited

Basis for Adverse Opinion(continued)

Scope Limitation on Transactions and balances with a third party (Continued)

Account	Total value per financial statements (ZW\$)	Portion for which sufficient appropriate evidence could not be obtained (ZW\$)
Inflation adjusted consolidated statement of profit or loss and other comprehensive income		
Revenue	3 211 716 000	177 617 061
Operating expenses	3 209 945 000	54 345 469
Income tax credit	305 828 000	Could not be determined
Inflation adjusted consolidated statement of financial position		
Trade receivables	250 821 000	15 431 586
Trade payables	138 960 000	97 833

Furthermore, the two parties did not prepare separate financial statements for the Joint Venture activities and accordingly the required accounting entries under IFRS 11 could not be established, resulting in further limitation.

Consequently, we were unable to determine whether adjustments would have been required on the Inflation adjusted consolidated statement of changes in equity and cashflows.

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 and IFRS 11 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, monetary loss of ZW\$ 54 314 000 (2020: ZW\$ 330 246 000) is impacted. Our opinion was also modified in respect of this matter in the prior year.

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 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.

Independent Auditor's Report (Continued)

Unifreight Africa Limited

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report but 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 IFRS and other matters noted therein. We have concluded that the other information is materially misstated for the same reasons

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 International Financial Reporting Standards 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 Company and 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 Company or Group or to cease operations, or have no realistic alternative but to do so.

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 scepticism 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 control.

Independent Auditor's Report (Continued)

Unifreight Africa Limited

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

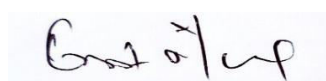
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies 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 Company and 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 Company or 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 David Gwande (PAAB Practicing Certificate Number 132).



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

7 July 2022

