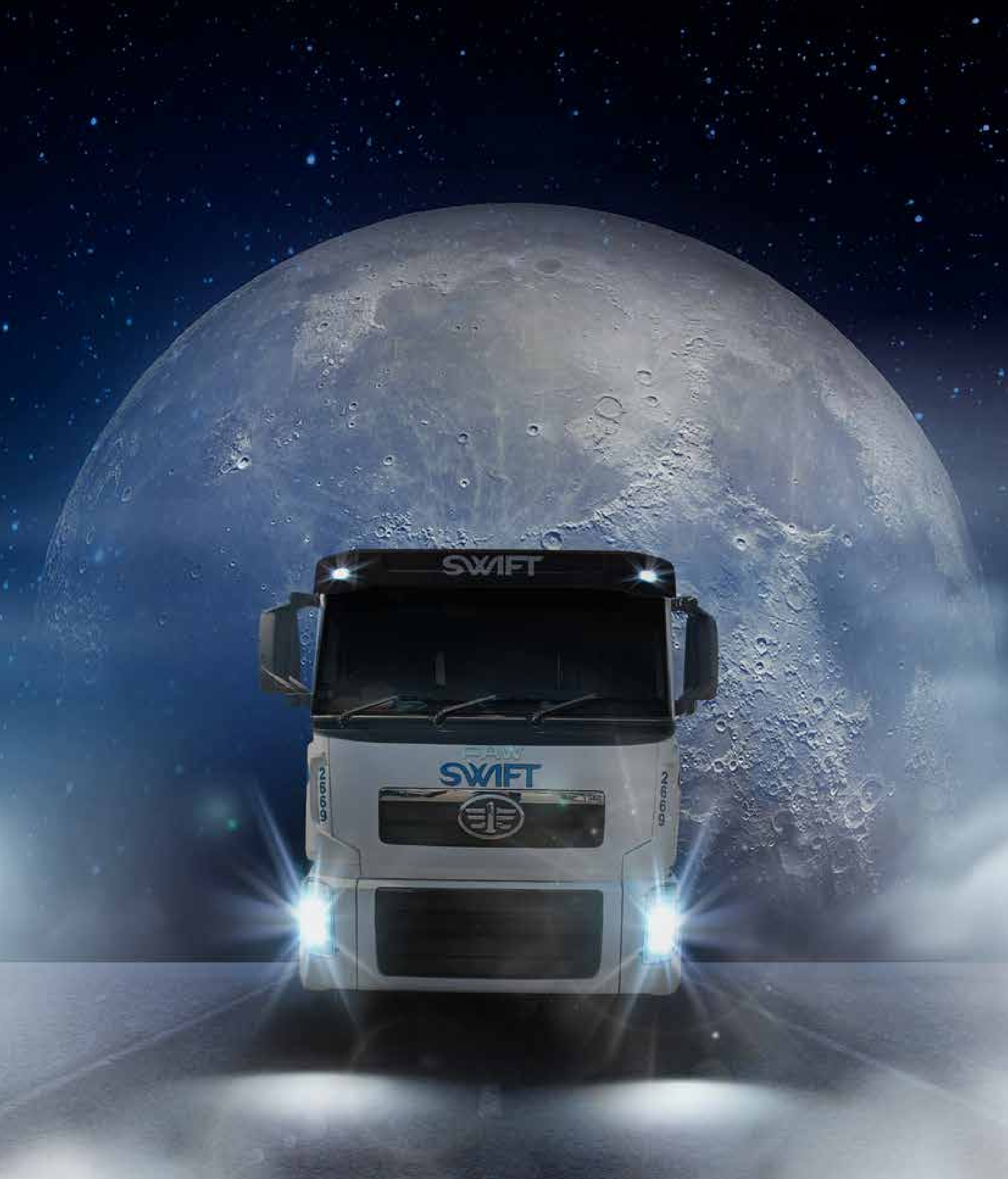
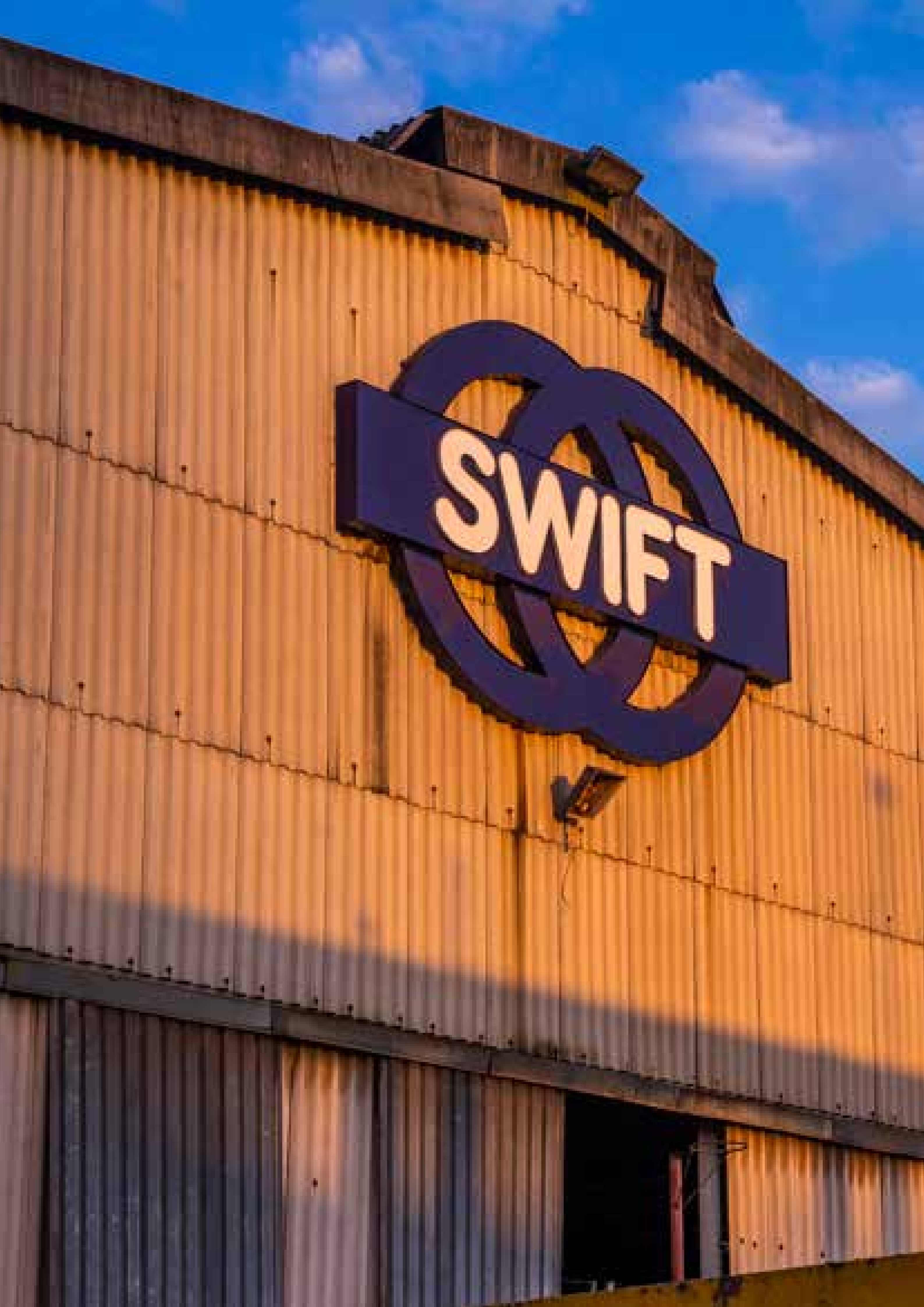


UNIFREIGHT AFRICA LTD

ANNUAL REPORT 2022


SWIFT

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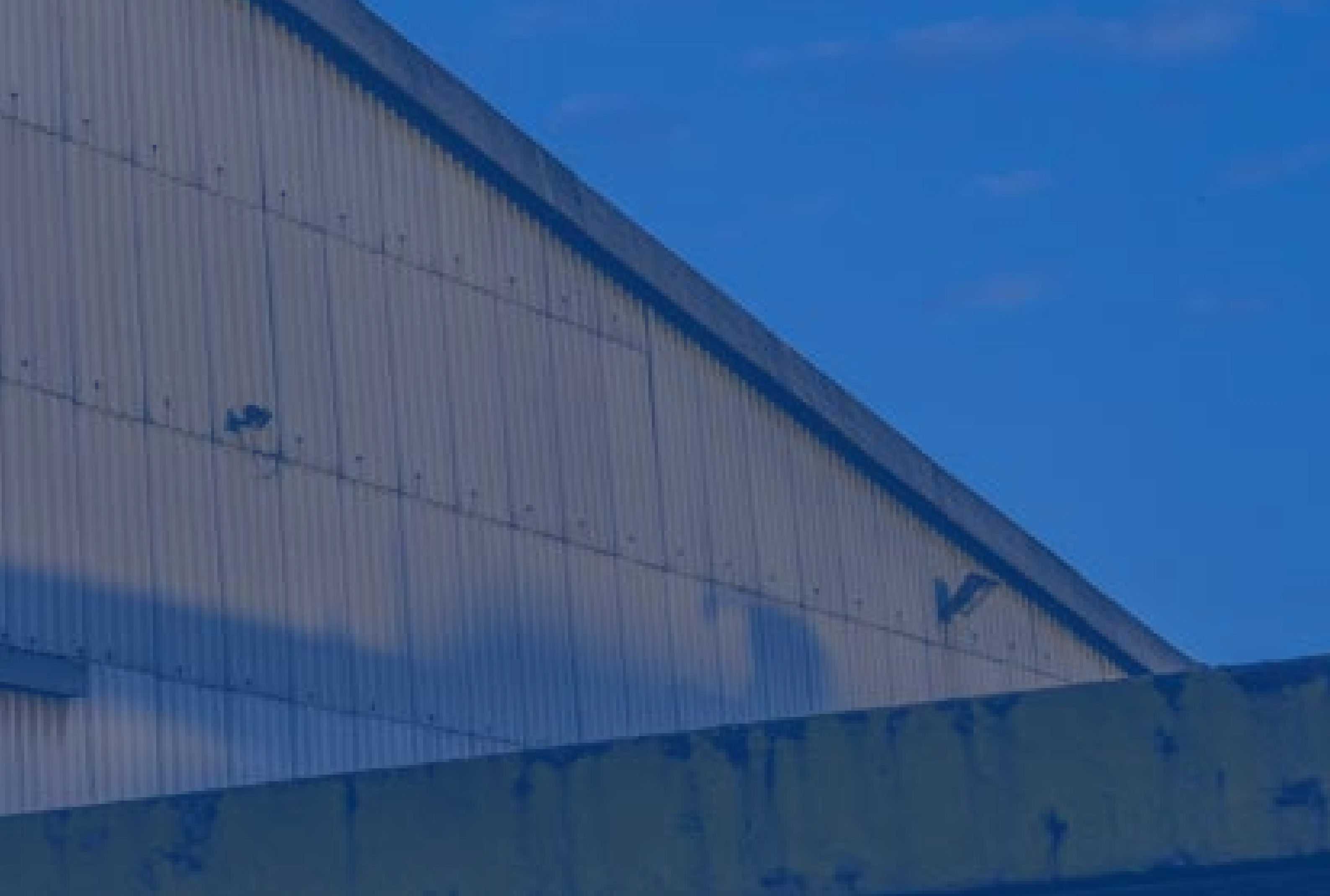
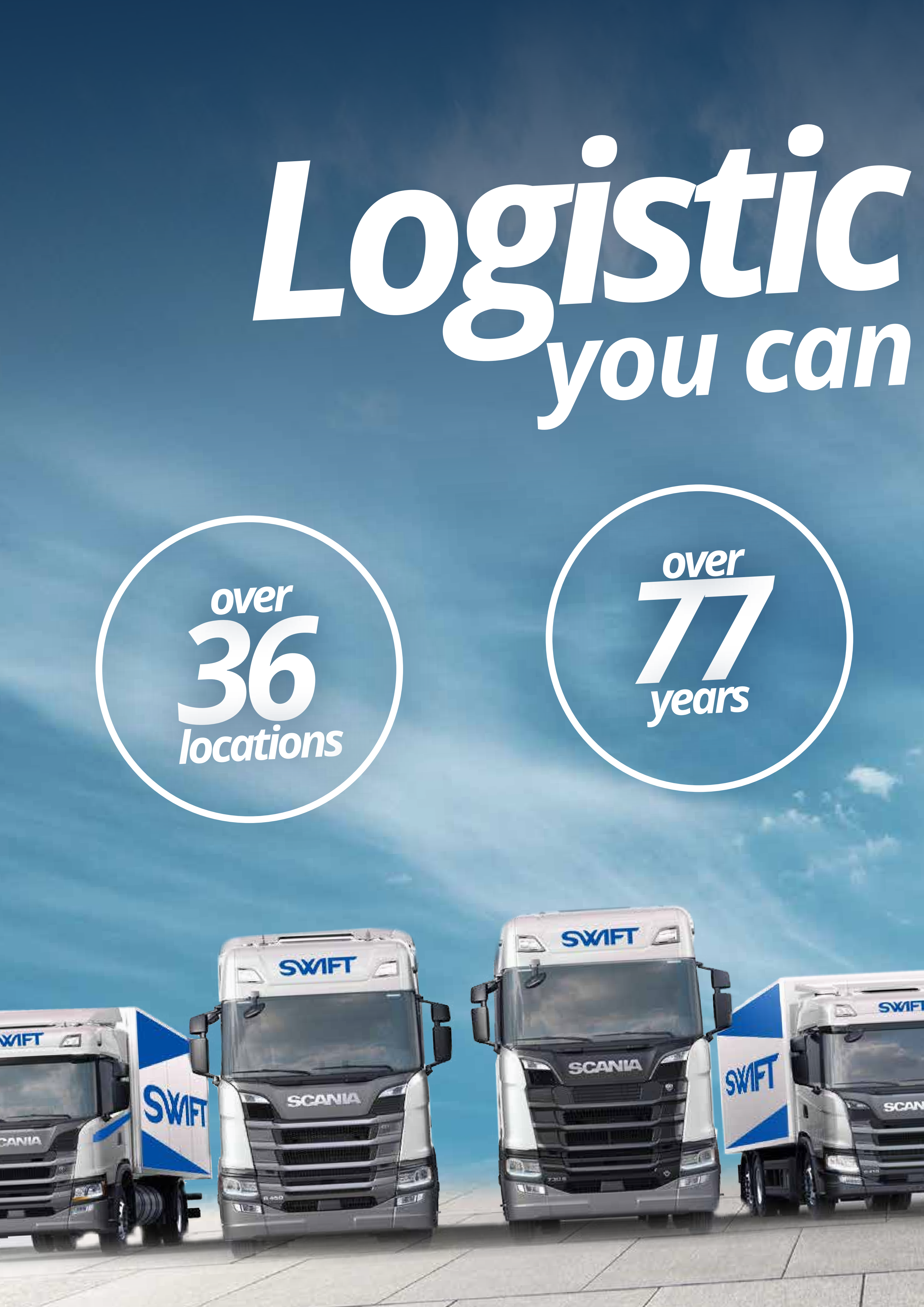
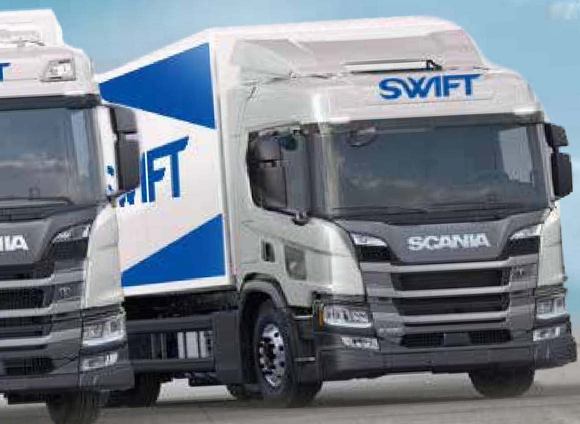



Logistic
you can
over
36
locations
over
77
years
SWIFT
SCANIA

Partner depend on

over **200** vehicles

over **800** staff



SUPERBRAND
TOP 200
2023

COMPANY PROFILE

Unifreight Africa Limited, listed on the Zimbabwe Stock Exchange, has proudly been operating in the Zimbabwean market for the past 77 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 is unique to the brand, and 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.

Unifreight Africa Limited has 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, with a 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.

UNIFREIGHT CORE VALUES

Accountability:

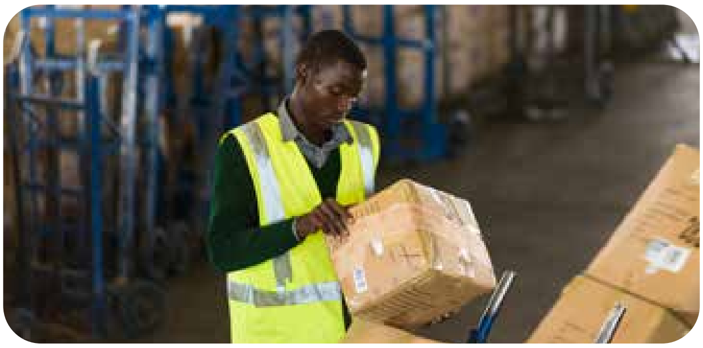
Building and living a culture of accountability is the founding principle of our business ethos. Accountability works in all directions with unity of purpose. We hold ourselves and each other responsible to deliver on our promise, continually earning our place as a trusted and honourable part of our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

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.

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.

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 practices.

NO. 1 CROP TRANSPORTER

MUTAKURI AKAVIMBIKA

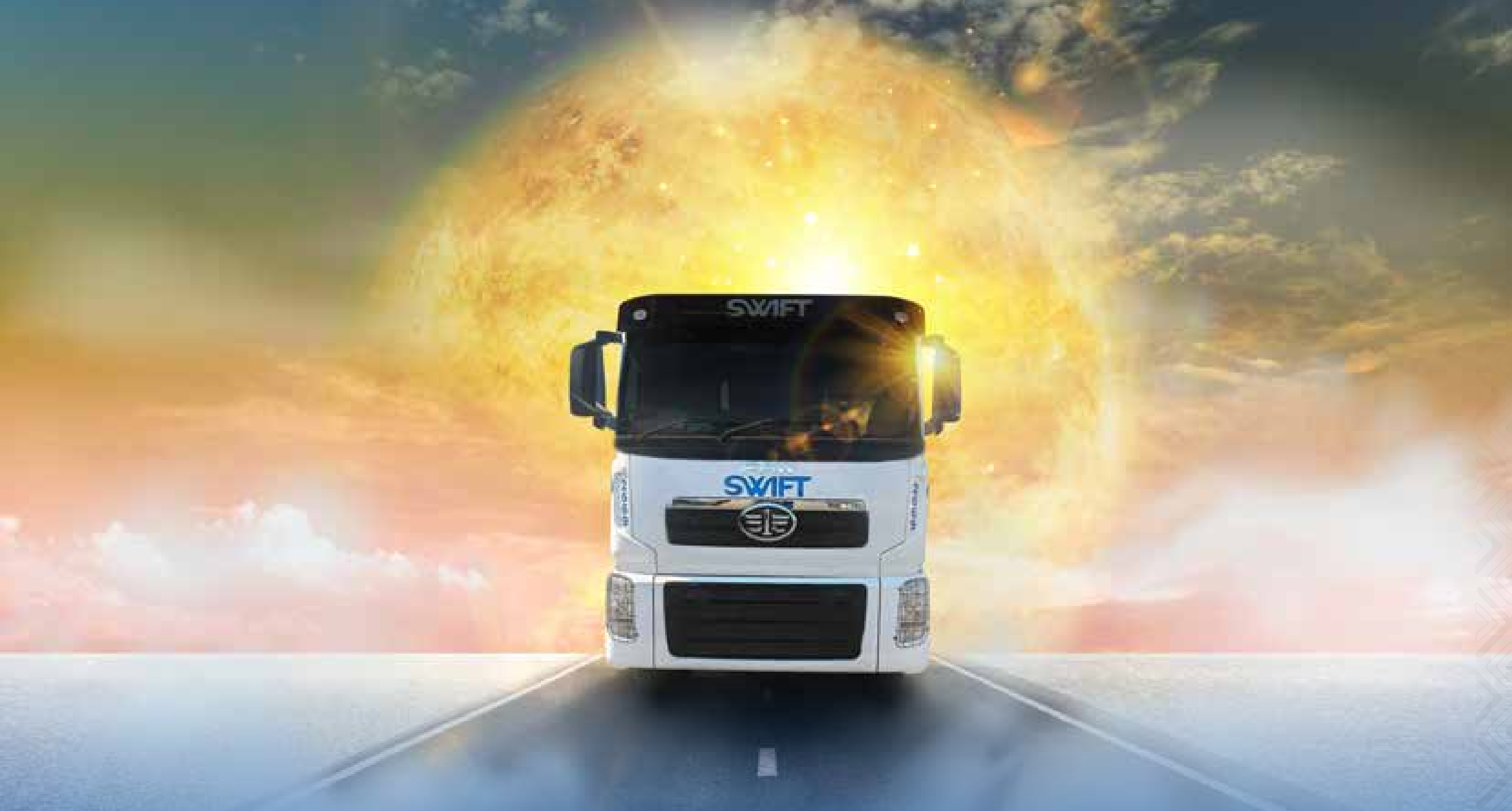
When it comes to trasporting your golden leaf to the auction floor.
You can rest assured that your tobacco reaches the floor in the best condition possible.
With over 36 depots nationwide, Collections & Deliveries could not be easier.
Swift is your trusted logistics partner to deliver day or night, anywhere.

UNIFREIGHT

#WeDeliver

SWIFT
www.swift.co.zw

OUR VISION MISSION & VALUES



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.

VISION

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

VALUES

"WE SOLVE PROBLEMS
by
DELIVERING ON OUR PROMISES
with
UNITED FOCUSED TEAMWORK
through
OFFERING LOGISTICS SOLUTIONS

GROUP STRUCTURE

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

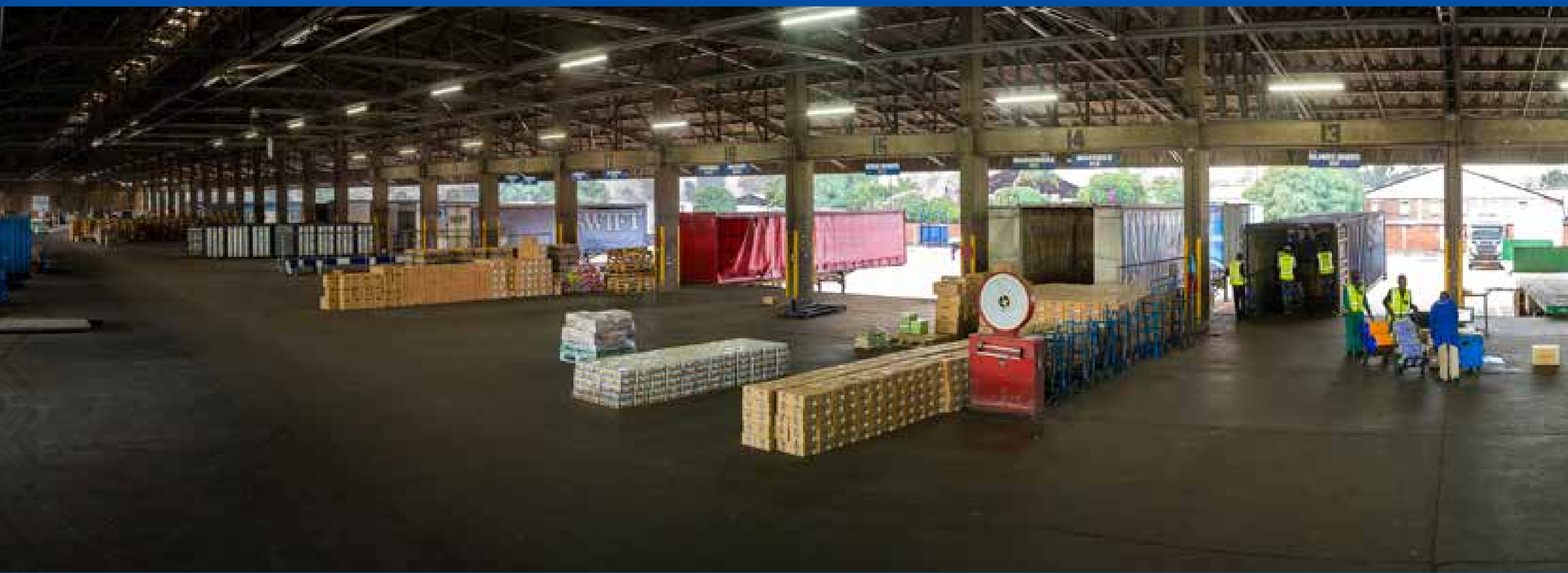
Clan Properties (Private) Limited, Kirkman & Kukard (Private) Limited
Property - owning Companies - Subsidiaries

Foreign Subsidiary

Pioneer Clan (Botswana) (Proprietary) Limited
Cross border road freight haulage and logistics - Dormant Subsidiary

Investment Companies

Clan Services (Private) Limited - Subsidiary
Pioneer Clan Holdings (Botswana) (Proprietary) Limited - Dormant Subsidiary
Clan Transport Company (Private) Limited - Dormant Subsidiary

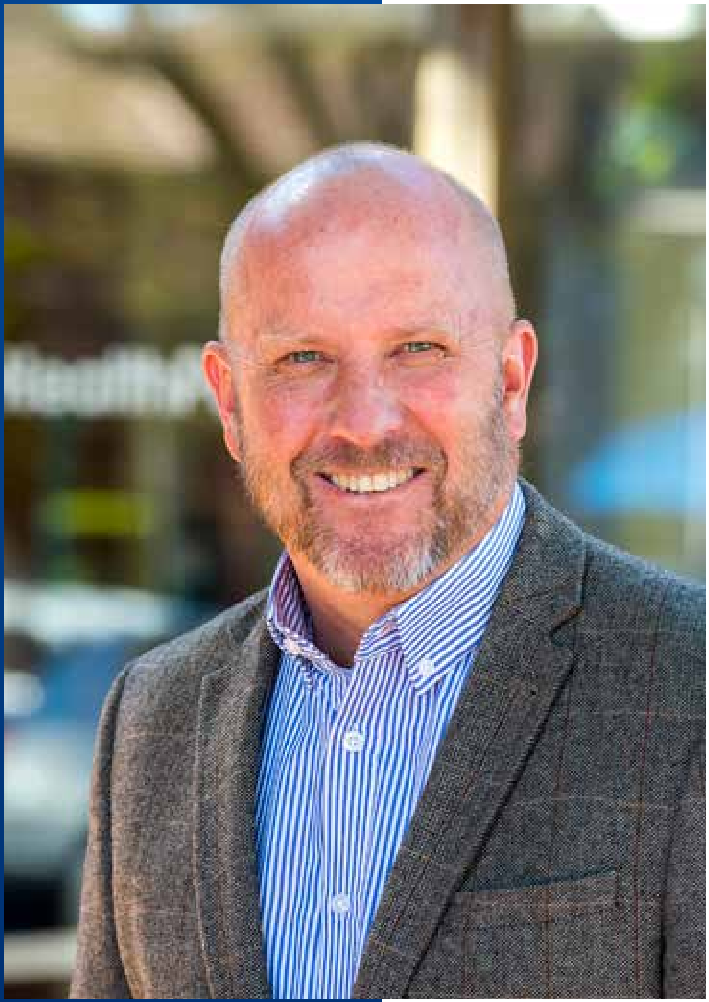


As a top 200 SuperBrand in Zimbabwe, we don't stop day or night. ***#WeDeliver***

UNIFREIGHT AFRICA LTD

- Clan Properties (Private) Limited
- Trek Transport (Private) Limited t/a Skynet Worldwide Express
- Pioneer Clan Holdings (Botswana) (Proprietary) Limited
- Kirkman & Kukard (Private) Limited
- Clan Transport Company (Private) Limited
  - Clan Services (Private) Limited

CHAIRMAN'S STATEMENT



OVERVIEW

2022 was both a challenging year as well as year of change for Unifreight. While a number of macro-economic changes to the operating environment weighed down performance, there were also a number of positive developments that will see Unfreight grow from strength to strength.

The Zimbabwe Dollar depreciated substantially during the first half of 2022 which was addressed by raising the bank policy lending rate from 80% to 200% p.a. This immediately halted the currency depreciation but created a loan: deposit ratio retraction effectively lowering the liquidity in the market as industry moved to re-pay loans as quickly as possible. The resultant low loan: deposit ratio affected many businesses cash flow including Unifreight's.

Amongst the challenging macro-economic conditions Unifreight managed to secure a very attractive instalment sale agreement from a foreign creditor resulting in the re-capitalisation of 100 brand new FAW 380hp prime movers with 100 AFRIT taut-liner trailers. This substantial re-capitalisation will go a long way towards diluting the fixed cost overhead of the business.

FINANCIAL PERFORMANCE SUMMARY

The Group's financial results and the commentary have been prepared on an inflation-adjusted basis as required by IAS 29 "Financial Reporting in Hyperinflationary Economies". Financial statements prepared under the historical cost convention have only been presented as supplementary information. The Directors would like to advise users to exercise caution on their use of these audited abridged consolidated financial statements, due to the material and pervasive impact of the technical difficulties of reporting under International Accounting Standard (IAS) 29.

The group made a loss of (ZWL1.50b) at FY2022 which was largely driven by the Group's shareholding in Zimplow which declined by (ZWL 2.16b) during 2022 driven by the inflation adjusted re-valuation of historical value. Revenue from continuing operations grew by 31% to ZWL 14.4b. However EBIT reduced by (58%) on the back of a 306% increase in financial costs for 2022. Our balance sheet grew from ZWL13.1b to ZWL18.6b due to the re-capitalisation of the fleet.

DIVIDEND DECLARATION

The Directors have decided not to declare a dividend for the period under review as they continue to assess the economic environment.

OUTLOOK

The Group is optimistic about the future and will drive growth through increased capacity availability as well as improved efficiencies. The additional 100 trucks were long overdue with the market readily availing additional volume to Unfreight.

APPRECIATION

On behalf of the Board, I wish to express my sincere gratitude and appreciation to our customers, business partners, and our valued shareholders for their confidence in us, which will be deservedly rewarded over time. I would also like to extend my gratitude to the Unifreight Board of Directors, employees, management, and executive team for their passion, commitment, and dedication to achieving a high-performance culture and ensuring Unifreight continues to grow.

For and on behalf of the Board

Peter Annesley
Chairman
24 March 2023

CEO'S REPORT

OVERVIEW

While 2022 was indeed a challenging year, Unifreight did manage to make a number of positive steps to ensure the Unifreight, and particularly the Swift, brand was strengthened. One such step was the purchase of 100 Brand New FAW 380hp prime movers with Afrit trailers at the end of 2022. This bold move is a statement of the intent of Unifreight to be the dominant force in Zimbabwean transport! This is a fantastic achievement that ensured 2023 got off to the best possible start as the assets arrived during Q4 22' and Q1 23'

ACKNOWLEDGMENTS

2022 saw a great deal of change for Unifreight with the long standing CEO, Rob Kuipers deciding to step back from his role to focus on personal interests. The board, management and staff would like to thank Rob for his immense contributions to the company during his 10 years of service as CEO. We further wish him all the best in his future endevours which will be met with his cheerful enthusiasm as he was known to embody.

BUSINESS PERFORMANCE SUMMARY

Although the group made a loss of (ZWL 1.32b) at FY0222 which was largely driven by the Groups shareholding in Zimplow which depreciated by (ZWL 2.16b), there have been a number of encouraging statistics which will help the business going forward. Repairs and Maintenance for example fell dramatically from 12.5% of revenue to under 7% by the end of 2022. This was largely attributed to the retirement of older assets being replaced by the newer FAW's.

With the increase in fleet size the business is also able to generate higher turnover figures which help to dilute the considerable fixed overhead the business carries, further helping future profitability. Staff cost is one such area where we have seen improvements with costs forecast to be round 25% of revenue, down from the 2022 high of 35%.

Tobacco has traditionally been an area where Unifreight have dominated the local transport market and 2022 was no different with Swift transporting 25 million KG's of tobacco during the 2022 marketing period. With the new fleet, Swift have forecast increasing their market share by 70% and target to carry over 40 million KG's during the 2023 season. This is a monumental jump which will ultimately boost profitability for the company.

OUTLOOK AND STRATEGY

After buying 100 new FAW 28.380 FT's, Unifreight will continue its recapitalization drive by investing further into new fleet. The current collection and delivery fleet is nearing retirement age so we will look to procure;
15 FAW 8.140ft 5t van body
10 FAW 28.290FL van body

In addition to the above, Unifreight will aim to diversify and de-risk the business by actively pursuing cross border and contract haulage. We aim to invest in and grow a dedicated fleet to over 100 full time cross border assets. The benefits of growing this revenue streams is;

1. Increased foreign currency earning potential in the group;
2. Reduced seasonal fluctuations as the current business experiences peak revenue in May and November; and
3. Reduced exposure to downturns in the local manufacturing sector.

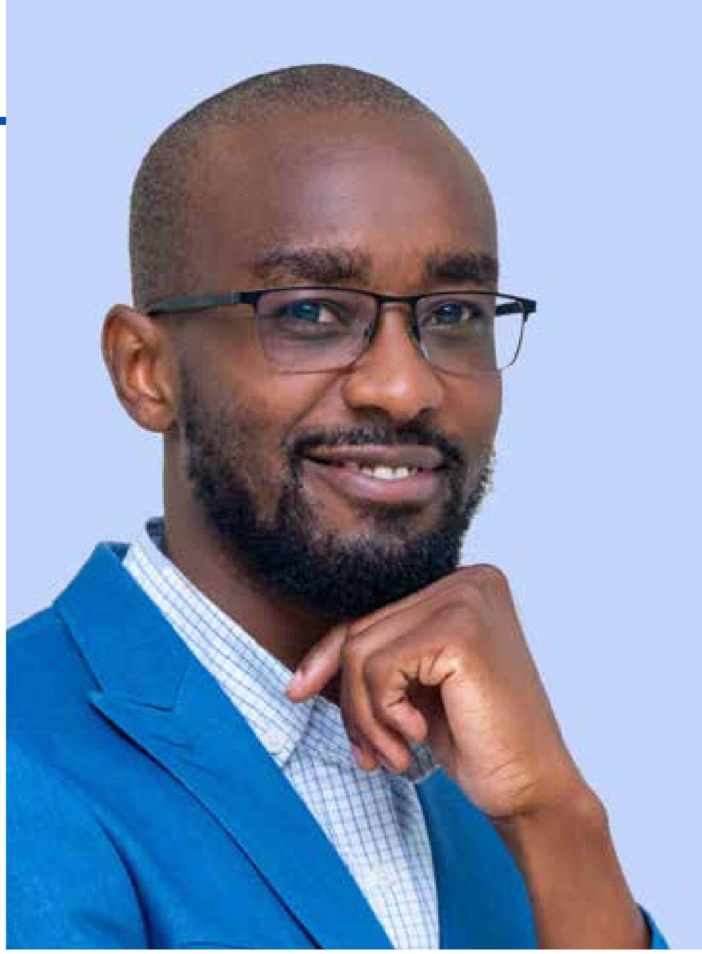
We are also going to be upgrading the existing depot networks' look and feel by starting at main centres and then moving out to the rest of the network. Currently Unifreight have 35 depots country wide and we would like to see this number continue to grow and support our core business which is LTL (Less Than Load).

We are confident that 2023 will deliver not only vastly improved profitability to our shareholders, but also enhanced value for all stakeholders, and we are excited for the year ahead.

For and on behalf of the Board

Richard Clarke
Chief Executive Officer
24 March 2023

CORPORATE GOVERNANCE STATEMENT



As a listed transport operating entity, Unifreight Africa Limited (UAL) complies with the Zimbabwe Stock Exchange (ZSE) Listing Requirements, the Companies and Other Business Entities Act, the Road Traffic Act, and all other applicable statutes and regulations specific to our industry. We also comply with principles, practices and governance outcomes of the King Code on Corporate Governance, and adhere to International best practice and corporate governance standards to ensure we remain part of the fast changing global village as far corporate governance in concerned. We are alive to the importance of corporate governance within our business operations, and its effect on our sustainability. Our governance structures are therefore set up to support effective decision making, foster a corporate culture aligned with vision and mission, support Environmental, Social and Governance (ESG) principles, and align to evolving best practice. The current global environment is characterised by an increasingly complex set of pressures and demands from various stakeholder groups, heightened expectations for corporate citizenship and radical uncertainty about the future. As a result of this, it has become common practice for management to keep the Board up-to-date on the situation regarding each stakeholder group. The continued uncertainty, has also amplified the need for deliberative discussions to effectivley deal with increased scrutiny from multiple audiences and the need to perform well for all stakeholders. The role of the Board has evolved and requires a closer working relationship with management on strategy and performance, overseeing increased risk and compliance issues, policies and stakeholder management.

Board of Directors

The Board is composed of highly experienced members, who have the knowledge, skills and background to fulfill their responsibilities. All members have a duty to act with independence of mind in the best interest of the Company. The Independent Non-Executive Directors are of the appropriate caliber and diversity for their views to carry significant weight in the Board's deliberations and decisions, and this ensures robust and forthright debate occurs on all issues of material importance to the Company and to eliminate group-think. 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 and appointment 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.

Directors' Interests
Directors 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 judgement.

Finance, Audit & Risk Committee
An independent Non Executive Director chairs the Finance, Audit and Risk Committee. It assists the Board in the discharge of its duties relating to accurate financial reporting to all stakeholders, compliance and effectiveness of accounting, business risks, management of information systems, internal controls and control processes, as well as enhancing the reliability, integrity, objectivity and fair presentation of the Company's affairs.

Human Resources and Remuneration Committee
This Committee is chaired by an independent Non Executive Director. The CEO and CFO are invited to its meetings but do not participate in any discussions on their 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. It is also responsible for the welfare of all employees and keeps track of the initiatives of Management to keep staff morale and productivity high.

For and on behalf of the Board

M. T. J. Mnemo
Company Secretary
7 July 2023

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
H. J. Crabbe
B. N. Ndebele
M. A. Kalweit
R. P. A. Clarke - Chief Executive Officer
J. N. Fambawaputa – Chief Financial Officer

BOARD COMMITTEES

AUDIT AND FINANCE COMMITTEE

B. N. Ndebele - Chairman
M. A. Kalweit
P. A. Annesley

HUMAN RESOURCES AND REMUNERATION COMMITTEE

M. A. Kalweit - Chairman
H. J. Crabbe
P. A. Annesley

ADMINISTRATION

TRANSFER SECRETARIES

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

REGISTERED OFFICES

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

PRINCIPAL BANKERS

NMB Bank limited
Nedbank Bank Limited
CBZ Bank Limited

COMPANY SECRETARY

Michael T. J. Mnemo

AUDITORS

Grant Thornton Chartered Accountants
Camelsa Business Park, 135 Enterprise Road,
Highlands, Harare

Fast, Faster Fastest your choice

Freight

24hr service to major destinations (Bulawayo, Masvingo, Mutare, Kariba, Chiredzi, Gweru, Kwekwe)

101 Kgs - 6 Tonnes

Express

Overnight service to major destinations (BBulawayo, Masvingo, Mutare, Kariba, Chiredzi, Gweru, Kwekwe)

21 – 100 kgs

Courier Express

Overnight service to major destinations (Bulawayo, Masvingo, Mutare, Kariba, Chiredzi, Gweru, Kwekwe)

0 – 20 kgs

BOARD OF DIRECTORS

Peter John Annesley
Chairman

Peter John Annesley has over 30 years' experience in financial services as well as business advisory services. Peter has held positions in an executive capacity. He holds a Degree in Mechanical Engineering and a Master's Degree in Business Administration both 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. Peter is also an active player in the service delivery of premium standard HealthCare in Harare whilst being a citizen of and residing in Zimbabwe.

Richard Peter Alan Clarke
Group Chief Executive Officer

Richard was educated at St. Georges College and then Rhodes University to study a BSSCI (Economics). He returned to Zimbabwe to work at Imara Africa as a Business Analyst for companies listed on the Zimbabwe Stock Exchange (ZSE) before joining National Tested Seeds as Business Development Manager. Richard then joined Mt Meru Group as a Regional General Manager handling their trading portfolio where he received one on one mentoring by Gazelles International and completed their Scaling Up 2.0 leadership course. He then went on to join Dallaglio where he performed a dual role as Group Procurement Manager and as General Manager of an affiliated SBU. Here Richard continued his development through the Sabre 1000-day CEO course and had the privilege of working with some of Zimbabwe's leaders of industry. Richard was appointed CEO on 1 January 2023

Jackson Nyakupfawa Fambawaputa
Group Chief Financial Officer

Jackson is a Chartered Accountant and a holder of a Master's Degree in Business Leadership (MBL) through UNISA School of Business Leadership. He trained articles with Price Waterhouse Coopers Chartered Accountants before joining and working for various organisation prior to his appointment as CFO on 1 June 2022. He has over 15 years' experience in Financial Accounting, General Administration, Advisory Services, Treasury Management Strategic Business Management and Company Secretarial duties

Hannah Jayne Crabbe
Non Executive Director

Hannah holds a Bachelor of Arts with Honours Business Marketing and Management from the Oxford Brookes University Business School (United Kingdom). She has vast experience in business related areas such as strategy, product and brand management, digital marketing, operations and research methods which she attained in her past experience.

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

Belmont Njabulo Ndebele
Non Executive Director

Belmont has over 25 years of banking and financial services sector experience 20 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.

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 2022.

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

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

No dividend was declared for the year ended 31 December 2022.

Directors fees

Members will be asked to approve the payment of Directors' fees in respect of the year ended 31 December 2022

Auditors

Members will be asked to approve the remuneration of the Auditors for the past year, Grant Thornton Chartered Accountants.

Members will be asked to re-appoint Grant Thornton Chartered Accountants as the Auditors for the year 2023.

For and on behalf of the Board

P. J. Annesley
Chairman
7 July 2023

M. T. J. Mnemo
Company Secretary
7 July 2023

Say NO to Downtime

CORPORATE SOCIAL RESPONSIBILITY

At Swift, we believe in the importance of corporate social responsibility and giving back to the communities in which we operate. That is why we have established a comprehensive program that includes monthly donations to over 30 organizations. These organizations span a wide range of causes, including orphanages, old age homes, animal sanctuaries, schools, and government organizations. By providing consistent support through monthly donations, we aim to make a lasting impact in the lives of those in need.

In addition to our monetary contributions, we also make donations of food and transport. We understand that access to basic necessities such as food can be a challenge for many individuals and families. That is why we partner with local Soup Kitchens and organizations to provide regular donations of food. As part of our commitment to supporting vulnerable populations, we also focus on schools, orphanages and old age homes. These institutions provide care and support to individuals who may not have family or may require assistance in their daily lives. Through our partnerships with these organizations, we provide food, volunteer services, and other resources to ensure that residents receive the care and attention they deserve.

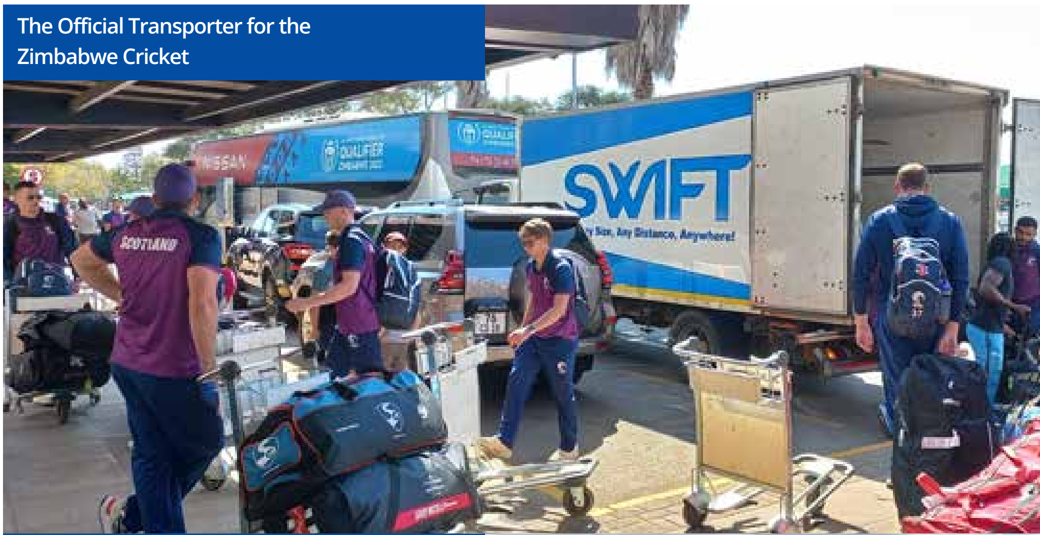
Partnerships with sporting organizations and events are another way in which we contribute to our communities. We understand the positive impact that sports can have on individuals' physical and mental well-being. Through our partnerships, we support sporting events and organizations that promote inclusivity and provide opportunities for individuals of all abilities to participate. By doing so, we aim to create a more inclusive and healthy community. Our professional transport services, makes sure that sporting equipment arrives at the destination on time, every time.

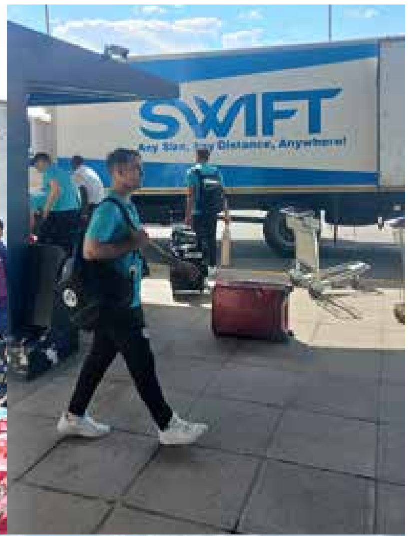
Lastly, we understand that infrastructure plays a crucial role in the well-being of communities. That is why we engage with Municipalities to undertake repairs and maintenance in areas that may have been neglected or are in need of improvement. By investing in road repairs, we contribute to the safety and accessibility of communities, ensuring that individuals can travel safely and efficiently. Maintenance of Round About Circles helps eliminate excess waste and litter, improving air quality and general appearance of areas.

In conclusion, at Swift, corporate social responsibility is at the core of our values. Through our monthly donations of food and transport, partnerships with sporting organizations and events, support for orphanages and old age homes, contributions to schools, road repairs, and wheelchair donations, we are committed to making a positive impact on the communities we serve. We believe that by giving back, we can contribute to a more inclusive, prosperous, and sustainable society.

Delivery to Chinyaradzo

The Official Transporter for the Zimbabwe Cricket





Volunteer teachers were blessed with packages to take home

Our Community Service to upkeep of New Ardbennie roundabout

some organisations we help

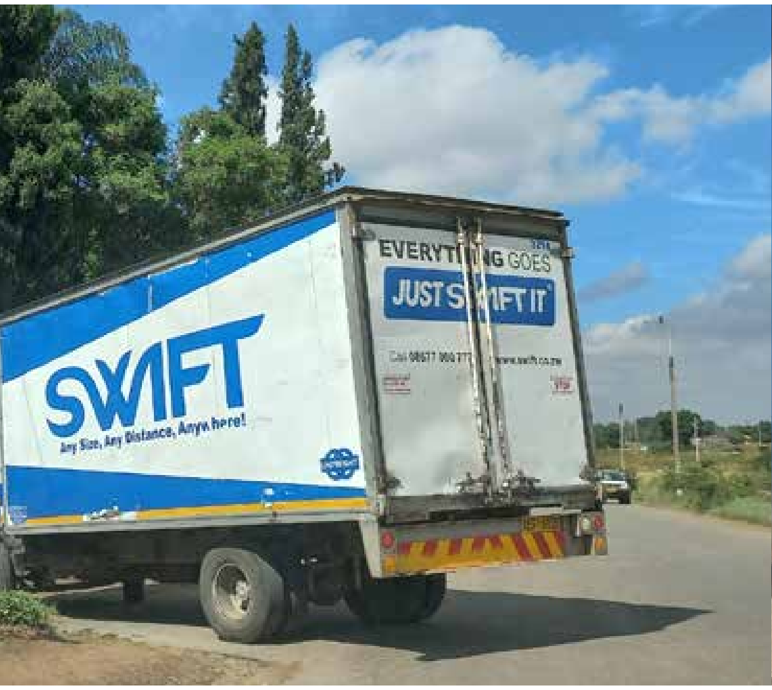
THE FRIEND ANIMAL FOUNDATION

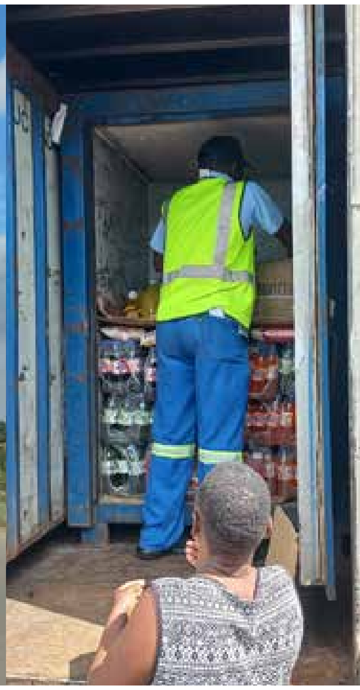
ZIMBABWE -Demystifying Disability-

KARIBA INVITATION TIGER FISH TOURNAMENT KITFT

Friendlies

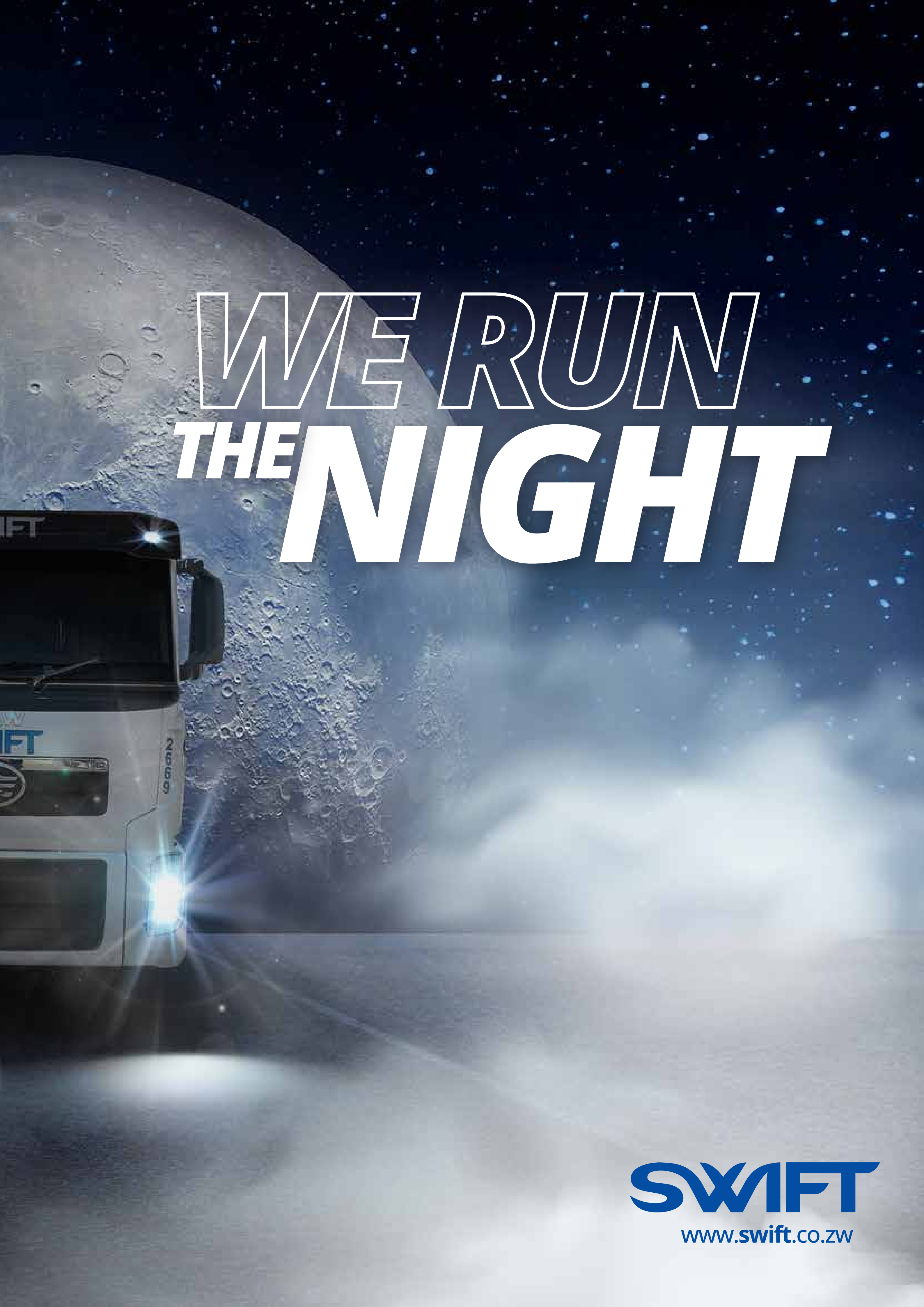
There is a future. KidzCan ZIMBABWE CHILDREN'S CANCER RELIEF





"With absolute excitement the children wanted to help the Swift staff offload the donated goods.


WE OWN
THE DAY
UNIFREIGHT



WE RUN
THE NIGHT
SWIFT
www.swift.co.zw

Grant Thornton

INDEPENDENT AUDITOR'S REPORT

To the members of Unifreight Africa Limited and its subsidiaries

Report on the Audit of the Consolidated Inflation Adjusted Financial Statements

Qualified Opinion

We have audited the consolidated inflation adjusted financial statements of Unifreight Africa Limited and its subsidiaries, which comprise the consolidated inflation adjusted statement of financial position as at 31 December 2022, and the consolidated inflation adjusted statement of profit or loss and other comprehensive income, the consolidated inflation adjusted statement of changes in equity and the consolidated inflation adjusted statement of cash flows for the year then ended, and the notes to the consolidated inflation adjusted financial statements, including a summary of the Group's significant accounting policies.

In our opinion, except for the matters described in the Basis for Qualified Opinion section of our report, the consolidated inflation adjusted financial statements present fairly, in all material respects, the financial position of Unifreight Africa Limited and its subsidiaries as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates

During the prior and current financial period, the foreign currency denominated transactions and balances of the Group were translated into ZWL using internally generated rates, which were not considered appropriate spot rates for the Group as required IAS 21. IAS 21 defines the spot exchange rate as the exchange rate for immediate delivery.

Had the consolidated inflation adjusted financial statements been prepared in accordance with the requirements of IAS 21, some elements would have been materially affected. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the consolidated inflation adjusted financial statements as a whole.

Non-compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies

Although IAS 29 has been applied appropriately, its application was based on prior and current year's financial information which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, some elements of the inflation adjusted financial statements would have been materially different. The impact of the departure from the requirements of these standards is considered material but not pervasive to the consolidated inflation adjusted financial statements for the year ended 31 December 2022.

Non-compliance with International Accounting Standard (IAS) 2 - Inventories

In the prior year, the Group determined the USD value of spare parts inventory on hand as at 1 January 2021 on the basis of USD open market values on that date. The USD value of the spare parts inventory was then translated into ZWL using the applicable exchange rates for purposes of financial reporting. This constitutes a departure from the requirements of IAS 2 which require that inventory should be measured at the lower of cost and net realisable value. As a result, the inventory balances as at 31 December 2022 may be overstated since some of the spare parts inventory items were still available as part of the year end balances.

The opinion on the prior year consolidated inflation adjusted financial statements was modified in respect of this matter and the misstatements have not been corrected in the consolidated inflation adjusted financial statements for the year ended 31 December 2022.

Non-compliance with International Financial Reporting Standard (IFRS) 11 - Joint Arrangements and (IAS) 28 - Investments in Associates and Joint Ventures

Included in the comparative financial information for the year ended 31 December 2021 is the revenue and expenditure attributable to 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 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 non-current 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. The Group accounted for the revenue and cost of sales from the arrangement as part of normal trading with unrelated parties.

Sufficient and appropriate evidence was not provided to support some of the revenue and cost of sales amounts recorded in relation to this arrangement in the prior year 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 to these consolidated inflation adjusted financial statements in respect of retained earnings, payables, receivables, and the revenue, cost of sales and the related income tax expense or credit for the comparable financial year. The joint arrangement was discontinued in April 2021.

The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in the consolidated inflation adjusted financial statements for the year ended 31 December 2022.

Non-compliance with International Financial Reporting Standard (IFRS) 13 – Fair Value Measurement with respect to fair valuation disclosures for Investment Property for the prior year

The Group's investment properties, which are accounted for at cost in terms of the Group's accounting policies are subjected to fair valuation, for disclosure purposes, as required by IAS 40 - Investment Property. In the prior year, the information used to disclose the fair valuation in Notes 7 and 10.1 of these consolidated inflation adjusted financial statements was determined using USD valuation inputs and converted to ZWL using the applicable exchange rates as at 31 December 2021. Although the determined USD values may have reflected the fair value of the investment properties at the time, the converted ZWL values were not in compliance with IFRS 13 – Fair Value Measurement as they may not have reflected the assumptions that market participants would apply in valuing similar items of property in ZWL.

While this was corrected in the current year through a valuation of the investment properties as at 31 December 2022 using ZWL valuation inputs in a manner consistent with the requirements of IFRS 13, the fair valuation disclosures in the prior year for investment properties were based on financial information that was not compliant with the IFRS 13 principles.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated inflation adjusted financial statements of the current year. These matters were addressed in the context of our audit of the consolidated inflation adjusted financial statements as a whole and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the annual consolidated inflation adjusted financial statements:

Key Audit Matter	How our audit addressed the Key Audit Matter IFRS 15 - Revenue from Contracts with Customers
IFRS 15 - Revenue from Contracts with Customers • There is a presumed fraud risk with regards revenue recognition as required by International Standard on Auditing (ISA 240 Revised). There is a risk that the revenue is presented at amounts higher than what has been actually generated by the Group. • The Group is in the business of providing transport and logistics services. Revenue from contracts with customers is recognised when services 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 also has revenue generated from prepacks and driving schools. These goods and services are paid for in advance. The Group recognises revenue when payment is received. • Revenue recognition was identified as a risk area requiring special audit consideration.	Our audit procedures included the following: • Tested the general and application controls around the revenue systems of the Group and reviewed the controls. • Performed revenue analytics to identify anomalies in the revenue and corroborated by tracing to supporting documentation on the explanations provided. • Performed gap detection and duplicates test. • Reviewed whether the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. • Based on the audit work performed and the assumptions made, we satisfied ourselves that the Group's revenue recognition is in accordance with IFRS 15.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report, 'Corporate governance', 'Chairman's report', and 'Chief Executive Officers' report', which we obtained prior to the date of this auditor's report. The other information does not include the consolidated inflation adjusted financial statements and our auditor's report thereon. Our opinion on the consolidated inflation adjusted financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Inflation Adjusted Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated inflation adjusted financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated inflation adjusted financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted 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 consolidated inflation adjusted financial statements

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

- Identify and assess the risks of material misstatement of the consolidated inflation adjusted 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.
- Obtain an understanding of internal control 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 consolidated inflation adjusted 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 consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted 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 consolidated inflation adjusted financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated inflation adjusted 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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the consolidated inflation adjusted financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is Farai Chibisa.

Grant Thornton

Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

28 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Notes	2022 ZWL 000 Inflation Adj	2021 ZWL 000 Inflation Adj	2022 ZWL 000 Historical	2021 ZWL 000 Historical
ASSETS					
Non current assets		**9,329,869**	**11,305,642**	**3,018,736**	**1,148,848**
Vehicles and equipment	6	3,800,761	4,432,999	1,481,311	168,349
Investment properties	7	2,497,443	2,518,751	17,767	18,193
Investment in equity instruments	10.2	580,958	2,785,342	580,958	810,258
Right of use of asset	9	2,219,766	1,337,609	937,200	50,548
Intangible assets	8	230,941	230,941	1,500	1,500
Current assets		**9,272,102**	**1,852,298**	**6,915,918**	**528,836**
Inventories	11	697,116	665,759	500,303	183,669
Income tax asset		-	1,026	2,697	300
Trade and other receivables	12	8,369,190	1,100,471	6,207,122	320,128
Cash and cash equivalents	13	205,796	85,042	205,796	24,739
TOTAL ASSETS		**18,601,971**	**13,157,940**	**9,934,654**	**1,677,684**
EQUITY AND LIABILITIES					
Equity		**9,288,527**	**10,796,267**	**1,109,184**	**1,206,415**
Share capital	14	163,968	163,968	1,065	1,065
Share premium	14	317,178	317,178	2,060	2,060
Non-distributable reserve	14	5,577,707	5,577,70	46,356	46,356
Fair value reserve for financial assets at FVOCI		(909,062)	1,251,234	251,446	476,994
Equity component of shareholders loans	16	1,375,070	1,375,070	8,931	8,931
Retained earnings		2,763,666	2,111,110	803,079	671,009
Non current liabilities		**5,064,069**	**1,360,204**	**4,626,028**	**179,941**
Loans and borrowings	16	3,682,428	-	3,682,428	-
Lease liability	9	915,204	529,459	915,204	154,020
Deferred tax liabilities	17	466,437	830,745	28,396	25,921
Current liabilities		**4,249,375**	**1,001,469**	**4,199,442**	**291,328**
Trade and other payables	15	1,777,495	826,602	1,777,495	240,459
Income tax payable		49,933	-	-	-
Lease liability	9	52,929	24,108	52,929	7,013
Loans and borrowings	16	2,369,018	150,759	2,369,018	43,856
TOTAL EQUITY AND LIABILITIES		**18,601,971**	**13,157,940**	**9,934,654**	**1,677,684**

These financial statements were approved by the Board and signed on it's behalf on 27 March 2023 :

P.J. Annesley
Chairman
27 March 2023

R.P.A. Clarke
Chief Executive Officer
27 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

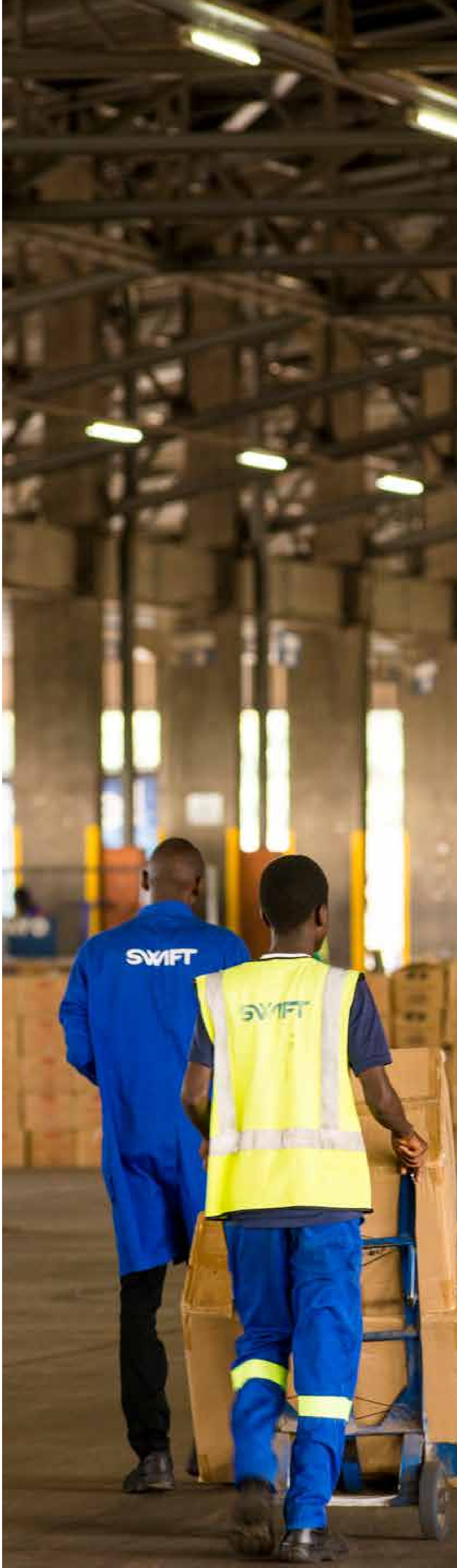
	Notes	2022 ZWL 000 Inflation Adj	2021 ZWL 000 Inflation Adj	2022 ZWL 000 Historical	2021 ZWL 000 Historical
Revenue	5	14,486,297	11,040,595	9,940,426	2,561,597
Operating costs	20	(14,116,071)	(11,034,504)	(9,610,693)	(2,392,373)
Movement in expected credit losses	12	(35,417)	(154,933)	(167,762)	(45,070)
Dividend received		12,391	4,101	12,391	3,667
Other operating income	19	400,587	2,200,477	556,285	481,734
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**747,787**	**2,065,736**	**730,647**	**609,555**
Finance costs	22	(621,131)	(152,849)	(473,621)	(38,748)
Depreciation	6,7,9	(1,044,935)	(781,555)	(72,327)	(30,740)
Monetary gain/ (loss)		1,303,243	(186,710)	-	-
Profit before taxation		**384,964**	**944,622**	**184,698**	**540,067**
Income tax expense/(credit)	23	267,592	1,051,314	(52,628)	(23,692)
Net profit for the year		**652,556**	**1,995,936**	**132,070**	**516,375**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income		(2,160,296)	1,251,234	(225,548)	453,144
Other comprehensive (loss)/income for the year, net of tax		**(2,160,296)**	**1,251,234**	**(225,548)**	**453,144**
Total comprehensive (loss)/ income for the year, net of tax		**(1,507,740)**	**3,247,170**	**(93,477)**	**969,519**
Earnings per share					
- Basic (loss)/earnings for the year attributable to ordinary equity holders of the parent (cents)		(1,416.06)	545.31	(124.04)	484.98
- Diluted (loss)/earnings for the year attributable to ordinary equityholders of the parent (cents)		(1,416.06)	545.31	(124.04)	484.98
- Headline (loss)/earnings for the year attributable to ordinary equity holders of the parent (cents)		(1,693.65)	956.02	(562.93)	539.88

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Note	Share capital ZWL 000	Share premium ZWL 000	Non-distributable reserves ZWL 000	Fair value reserve of financial assets at FVOCI ZWL 000	Equity portion of shareholders loans ZWL 000	Retained earnings ZWL 000	Total equity ZWL 000
Balance as at 1 January 2021		**163 968**	**317 178**	**5 577 707**	-	**1 375 070**	**144 105**	**7 578 028**
Profit for the year		-	-	-	-	-	1 995 936	1 995 936
Net gain on equity instruments designated at fair value through other comprehensive income	**10.1**	-	-	-	1 251 234	-	-	1 251 234
Dividend	**25**	-	-	-	-	-	(28 931)	(28 931)
Balance as at 31 December 2021		**163 968**	**317 178**	**5 577 707**	**1 251 234**	**1 375 070**	**2 111 110**	**10 796 267**
Balance as at 1 January 2022		**163 968**	**317 178**	**5 577 707**	**1 251 234**	**1 375 070**	**2 111 110**	**10 796 267**
Profit for the year		-	-	-	-	-	652 556	652 556
Net gain on equity instruments designated at fair value through other comprehensive income		-	-	-	(2 160 296)	-	-	**(2 160 296)**
Balance as at 31 December 2022		**163 968**	**317 178**	**5 577 707**	**(909 062)**	**1 375 070**	**2 763 666**	**9 288 527**



CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

STATEMENT OF CASH FLOWS

	Notes	Inflation adjusted 2022 ZWL 000	Inflation adjusted 2021 ZWL 000
Cash (utilised in)/ generated from operations	26	(5 003 803)	883 320
Dividend paid	25	-	(28 931)
Interest paid	22	(621 131)	(152 849)
Taxation paid		(3 383)	(63 967)
Net cash (utilised in)/ generated from operating activities		**(5 628 317)**	**637 573**
Purchase of vehicles and equipment to increase operations	6	(1 335 314)	(321 203)
Proceeds from sale of investment property, vehicles and equipment		718 161	27 752
Dividend received		12 391	14 101
Net cash utilised in investing activities		**(604 762)**	**(279 350)**
Proceeds from borrowings	16	6 890 110	260 958
Payment of deferred consideration		-	(773)
Principal payment of lease liabilities		(34 327)	(113 206)
Repayments of borrowings	16	(683 682)	(125 369)
Net cash utilised in financing activities		**6 172 101**	**21 610**
(Decrease)/ Increase in cash and cash equivalents		(60 978)	379 833
Cash and cash equivalents at beginning of year		85 042	279 763
Effects of currency translation on cash and cash equivalents		15 746	23 800
Effects of IAS 29 on cash and cash equivalents		165 986	(598 354)
Cash and cash equivalents at end of year	13	**205 796**	**85 042**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Statement of accounting policies for the year ended 31 December 2022

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.

These Group consolidated financial statements are presented in Zimbabwean Dollars and were authorised for issue by the Board of Directors on 24 March 2023.

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. 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 Preparation Basis

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 (ZWL) 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 Zimbabwean 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.

2.1.1. Inflation Adjustments

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 requires 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
December 2021	3.4376
Jan 22	3.2632
Feb 22	3.0499
Mar 22	2.8688
Apr 22	2.4828
May 22	2.0523
Jun 22	1.5703

Period / Month	Factor
Jul 22	1.2506
Aug 22	1.1129
Sep 22	1.0755
Oct 22	1.0426
Nov 22	1.0242
December 2022	1.0000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Summary of significant accounting policies (Continued)

2.1 Preparation Basis (Continued)

2.1.1 Inflation Adjustments (Continued)

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 3.4376 based on the Consumer Price Index (CPI) to hyper-inflate the amounts.
- 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 IFRS, 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.

2.1.1 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 2022, 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

New and amended 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 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including 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 fulfill the contract and 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 counterpart under the contract.

These amendments have no impact on the consolidated financial statements of the Group.

2. Summary of significant accounting policies (Continued)

2.1 Preparation Basis (Continued)

2.1.2 Changes in accounting policies and disclosures. (Continued)

New and amended standards adopted by the Group (Continued)

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations 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.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

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

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, 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.

In accordance with the transitional provisions, the Group applies the amendments retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the consolidated financial statements of the Group as it is not a first time adopter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.1 Preparation Basis (Continued)

2.1.2 Changes in accounting policies and disclosures. (Continued)

New and ammended standards adopted by the Group (Continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

2.2 Consolidation, Business Combinations and Goodwill

2.2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of Unifreight Africa Limited and its subsidiaries as at 31 December 2022. 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:

- 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.

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.

2 Summary of significant accounting policies (Continued)

2.2 Consolidation, Business Combinations and Goodwill (Continued)

2.2.1 Basis of consolidation (Continued)

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.

2.2.2 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 Summary of significant accounting policies (Continued)

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.
Foreign currency translation.

2.4 Foreign currency translation

2.4.1 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 gazetted. The spot rate as at 22 February 2019 onwards was determined as the market exchange rate at which the company was trading.

2.4.2 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:

- Assets and liabilities are translated at the closing rate at the reporting date;
- 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
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

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 impairment 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.

2. Summary of significant accounting policies (Continued)

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

2.7.1 Financial assets (Continued)

Subsequent measurement

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

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).

2. Summary of significant accounting policies (Continued)

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

2.7.1 Financial assets (Continued)

Impairment of financial assets (Continued)

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.

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.

2.7.2 Financial liabilities

Subsequent measurement

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

Financial liabilities at amortised 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 canceled 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. Summary of significant accounting policies (Continued)

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.

- 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.

2 Summary of significant accounting policies (Continued)

2.11 Current and deferred tax (Continued)

Deferred tax (Continued)

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:

- 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.
- 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

2.12.1 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.

2.12.2 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 Summary of significant accounting policies (Continued)

2.12 Employee benefits (Continued)

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.

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.

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.

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).

2. Summary of significant accounting policies (Continued)

2.14 Leases (Continued)

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

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.

2. Summary of significant accounting policies (Continued)

2.16 Fair value measurement (Continued)

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.

2.17 Intangible Assets

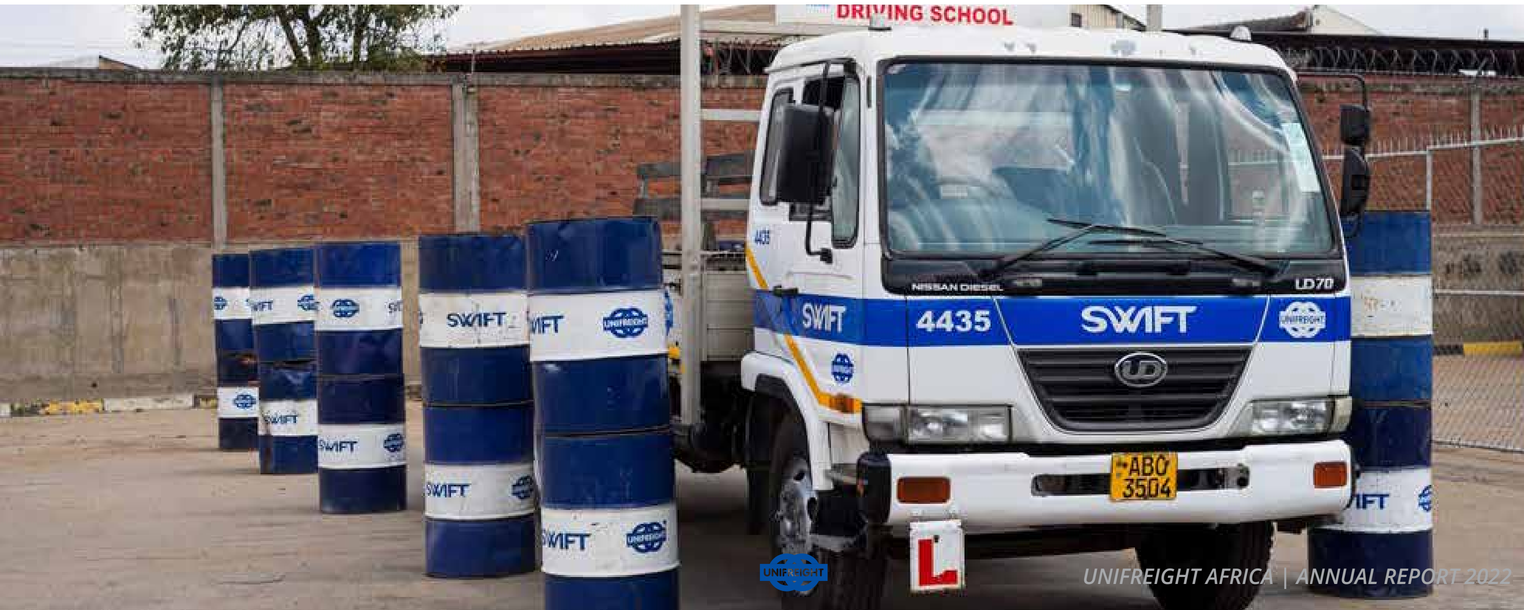
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of significant accounting policies (Continued)

2.18 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.

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.

2.19 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.

2.20 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, non-cash 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.

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 2022 and 2021.

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 2022 and 2021.

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 2022, the Group had cash and cash equivalents of USD78 780.39 and 44 385.50 Rands (2021: USD186 266 and 18 375 Rands). The Group also has trade payables of USD 497 653.98 and 532 785.45 Rands (2021: USD 177 239.75 and 2 074 314.45 Rands). The following table demonstrates the sensitivity to a reasonable possible change in the US$ and Rand exchange rate.

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:

Change in	Effect on profit/ (Loss) rates	Before tax
2022	+10%	7 268 492
	-10%	(7 268 492)
2021	+10%	7 408 940
	-10%	(7 408 940)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk (Continued)

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 2022, the Group had cash and cash equivalents of USD78 780.39 and 44 385.50 Rands (2021: USD186 266 and 18 375 Rands). The Group also has trade payables of USD 497 653.98 and 532 785.45 Rands (2021: USD 177 239.75 and 2 074 314.45 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
2022	+10%	7 268 492
	-10%	(7 268 492)
2021	+10%	7 408 940
	-10%	(7 408 940)

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:

	Change in rates	Effect on profit/ (Loss) before tax
2022	1%	60,514
	-1%	- 60,514.46
2021	1%	112,949
	-1%	(112,949)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk

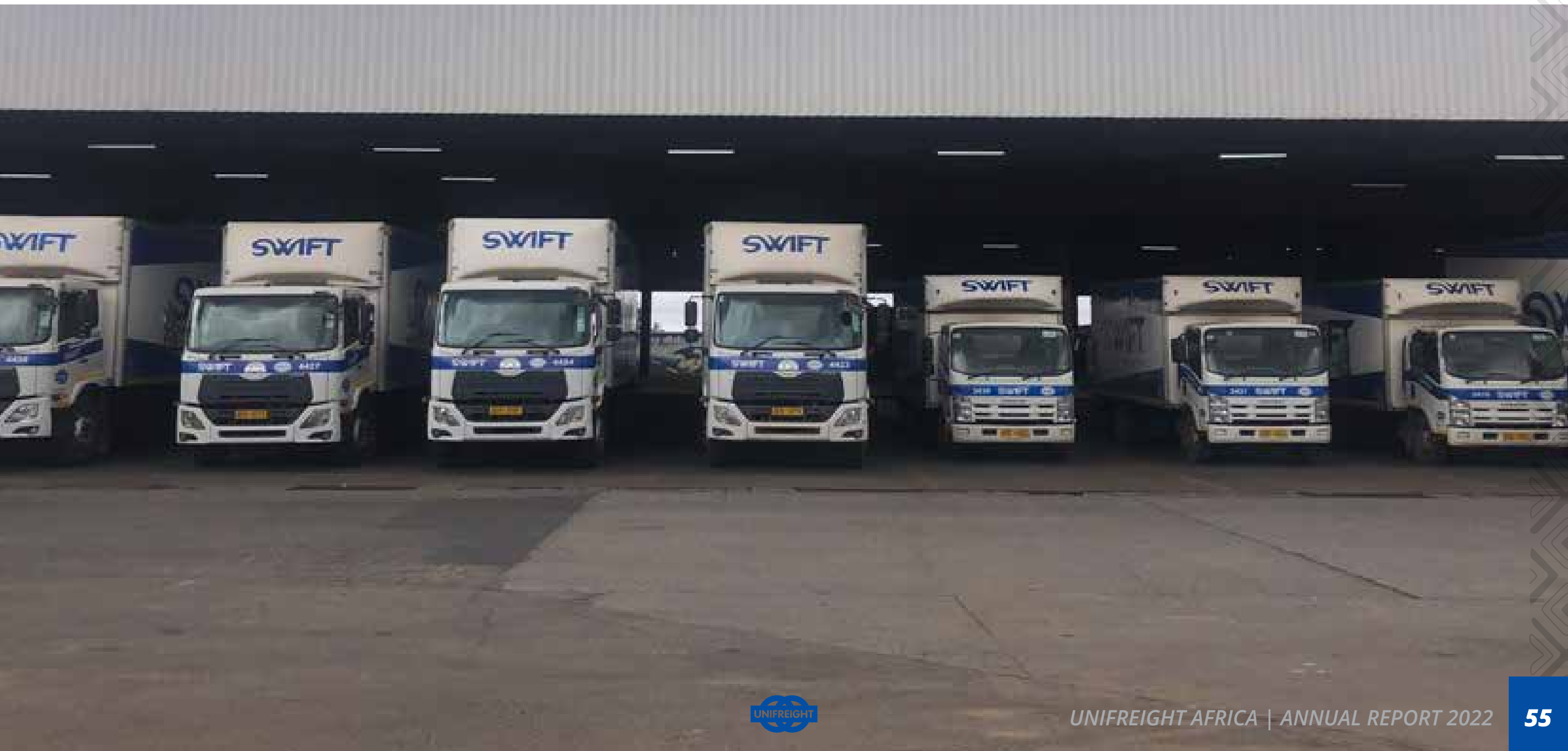
Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Management assess the quality of the customers, taking 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 2022, the Group had 3 customers (2021: 0) that owed it more than ZW$100 million each and accounted for approximately 28% (2021: 0%) of all the receivables and contract assets outstanding. There were 3 customers (2021: 0 customers) with balances greater than ZW$50 million accounting for just over 10% (2021: 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 operate in largely controlled market.

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.



3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

Trade receivables and contract assets

31 December 2022

	Current	30 Days	60 Days	90 Days	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Expected credit loss rate	617 518	8%	8%	100%	
Estimated total gross carrying amount at default	917 434	(28 724)	1 182 820	99 756	2 171 287
Expected credit loss	**63 288**	**(2 298)**	**94 626**	**99 756**	**255 372**

31 December 2021

	Current	30 Days	60 Days	90 Days	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Expected credit loss rate	22%	31%	38%	44%	
Estimated total gross carrying amount at default	636 501	152 647	26 486	46 589	862 223
Expected credit loss	**141 722**	**47 903**	**9 959**	**20 371**	**219 955**

3.1.3 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 2022	Up to 1 month	2 to 6 months	6 months to 1 year	1 to 5 years	Total
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Liabilities					
Trade and other payables	888 748	740 623	148 125	-	**1 777 495**
Lease liabilities	4 083	21 286	27 560	915 204	**968 133**
Borrowings	197 418	987 091	1 184 509	3 682 428	**6 051 446**
Total liabilities	**1 090 249**	**1 749 000**	**1 360 193**	**4 597 632**	**8 797 074**

3 Financial risk management (Continued)

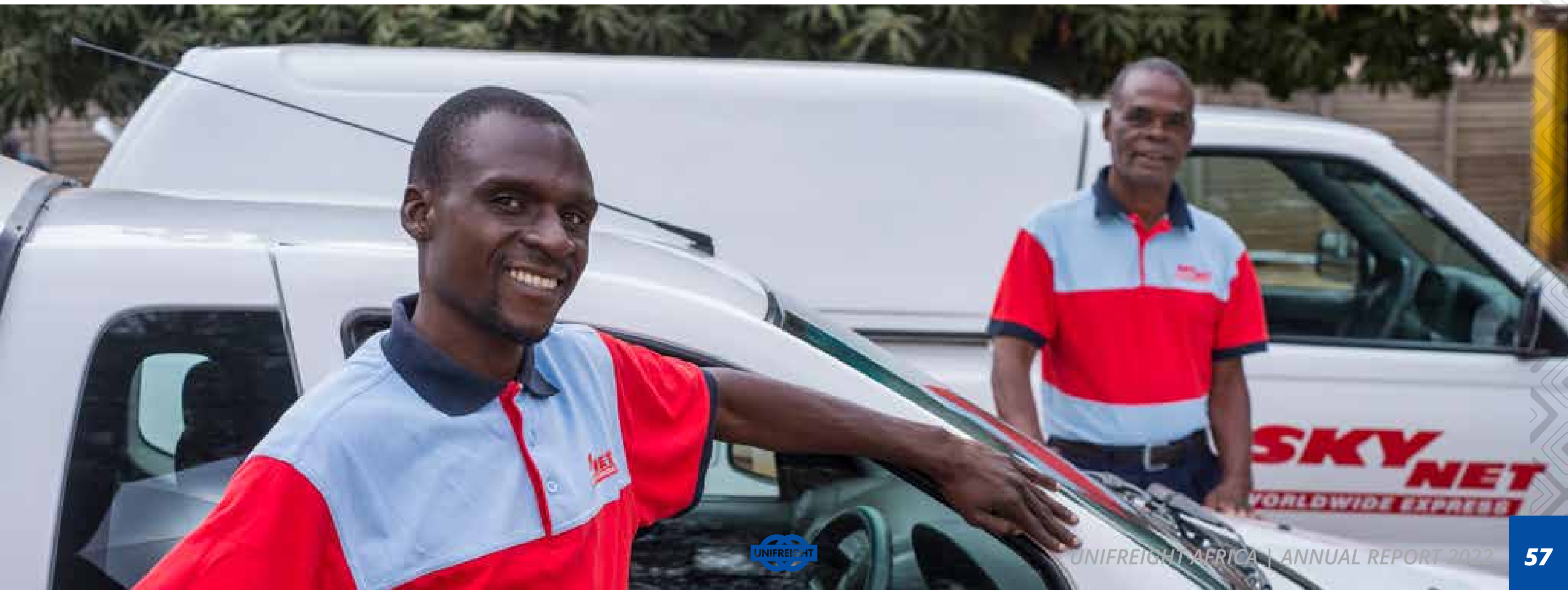
3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk (Continued)

Liabilities At 31 December 2021	Up to 1 month ZWL 000	2 to 6 months ZWL 000	6 months to 1 year ZWL 000	1 to 5 years ZWL 000	Total ZWL 000
Trade and other payables	81 938	166 351	9 077	-	257 366
Deferred consideration	79	172	-	-	251
Lease liabilities	2 148	10 743	12 891	277 156	302 938
Borrowings	3 723	22 190	-	-	25 912
Total liabilities	**87 888**	**199 456**	**21 968**	**277 156**	**586 468**

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 2022 was 38% (2021 - 1%).

	2022 ZWL 000	2021 ZWL 000
Total borrowings	6 051 445	150 759
Less: cash and cash equivalents	(205 796)	(85 042)
Net debt	5 845 649	65 718
Total equity	9 288 527	10 796 267
Total capital	15 134 176	10 861 985
Gearing ratio	39%	1%



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;

4.1 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.

4.2 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.

4.3 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 life cycles 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.

4.4 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:

- 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)

4.4 Going concern (Continued)

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 a 31 December 2022, the Directors have assessed the Group will continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is therefore still appropriate.

4.5 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.

4.6 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.

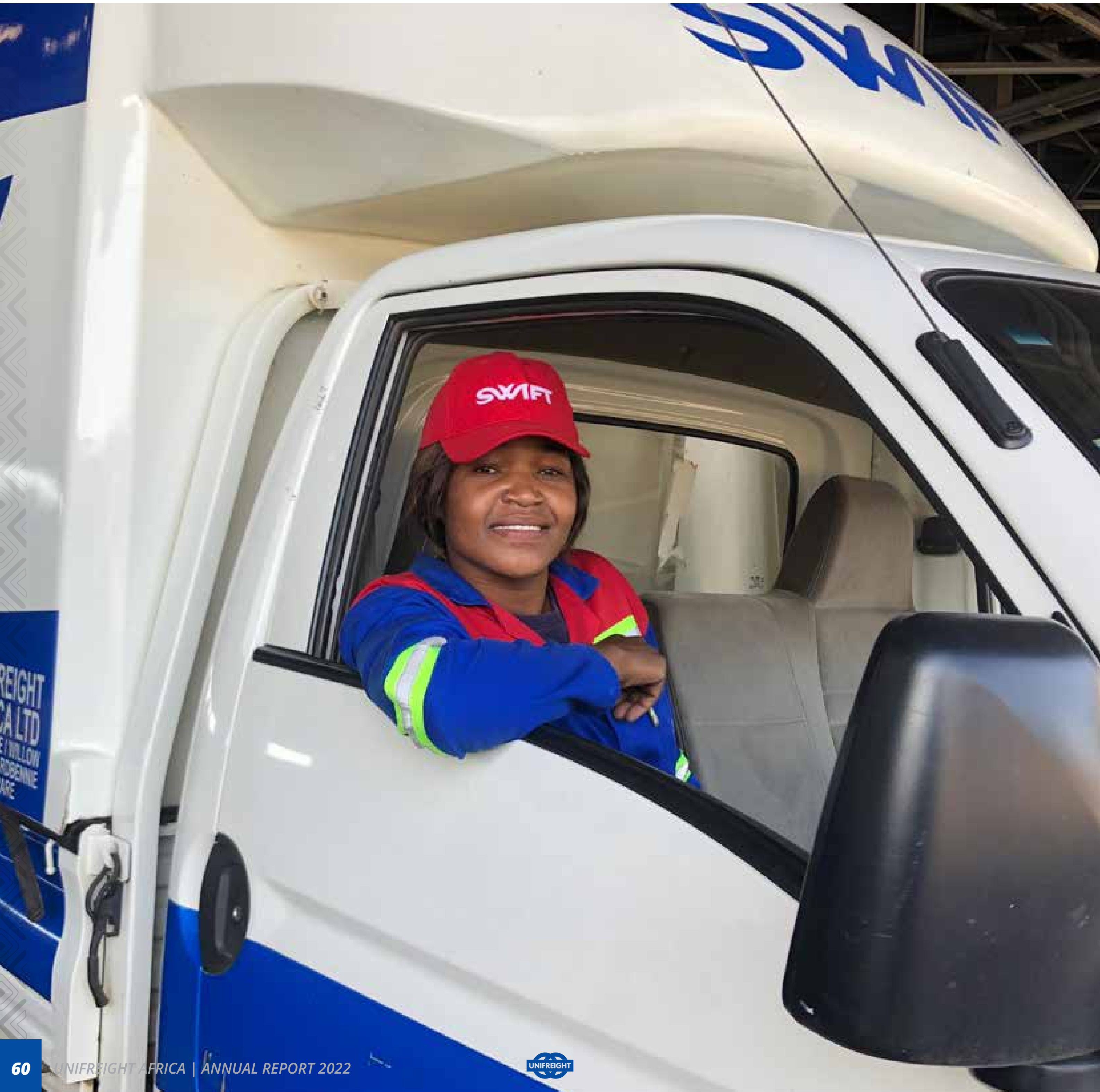
4.7 Property lease classification – Group as lessor

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)

4.8 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).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 Revenue

5.1 Revenue from contracts with customers

5.1.1 Disaggregated revenue information

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

	2022			
	Transport and courier ZWL 000	Dedicated and specialised ZWL 000	International distribution logistics ZWL 000	Total ZWL 000
Type of service				
Transport and logistics	13 280 841	1 109 773	95 683	**14 486 297**
Geographical markets				
Zimbabwe	13 280 841	1 109 773	95 683	**14 486 297**
Timing of revenue recognition				
Services transferred at a point in time	13 280 841	1 109 773	95 683	**14 486 297**

	2021			
	Transport and courier ZWL 000	Dedicated and specialised ZWL 000	International distribution logistics ZWL 000	Total ZWL 000
Type of service				
Transport and logistics	9 829 444	1 154 105	57 046	**11 040 595**
Geographical markets				
Zimbabwe	9 829 444	1 154 105	57 046	**11 040 595**
Timing of revenue recognition				
Services transferred at a point in time	9 829 444	1 154 105	57 046	**11 040 595**

5 Revenue (Continued)

5.1 Revenue from contracts with customers (Continued)

5.1.2 Contract balances

	2022 ZWL 000	2021 ZWL 000
Trade receivables	**2 191 211**	**862 223**

Trade receivables are non-interest bearing and are generally on terms of 14 to 30 days. In 2022, ZWL 255 371 985 (2021: ZWL 219 954 543) was recognised as provision for expected credit losses on trade receivables.

5.1.3 Performance obligation

Freight Delivery

The performance obligation is satisfied at the time of delivery of freight and payment is generally due within 7 to 30 days from delivery.

5.2 Segment Information

The Group has 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 2022 are as follows:

	Transport and logistics ZWL 000	Investment property ZWL 000	Consolidated ZWL 000
Total revenue continuing operations	14 486 297	-	14 486 297
Operating costs	(14 054 874)	(61 197)	(14 116 071)
Dividend received	12 391	-	12 391
Other operating income	163 796	236 791	400 587
Movement in expected credit losses	(35 417)	-	(35 417)
EBITD	572 193	175 594	747 787
Net finance costs	(621 131)	-	(621 131)
Depreciation	(1 023 627)	(21 308)	(1 044 935)
Monetary gain	973 629	329 614	1 303 243
Net profit before income tax	(98 936)	483 900	384 964
Income tax credit/(charge)	272 859	(5 267)	267 592
Profit for the year	173 923	478 633	652 556

5 Revenue (Continued)

5.2 Segment information (Continued)

	Transport and logistics ZWL 000	Investment property ZWL 000	Total ZWL 000
Statement of financial position as at 31 December 2022			
Assets			
Non-current assets	6 832 426	2 497 443	9 329 869
Current assets	9 103 984	168 118	9 272 102
Total assets	15 936 410	2 665 561	18 601 971
Liabilities			
Non-current liabilities	5 060 568	3 501	5 064 069
Current liabilities	4 216 420	32 955	4 249 375
Total liabilities	9 276 988	36 456	9 313 444

The segment results for the year ended 31 December 2021 are as follows:

	Transport and logistics solution ZWL 000	Investment property ZWL 000	Consolidated ZWL 000
Total revenue continuing operations	11 040 595	-	11 040 595
Operating costs	(10 970 764)	(63 740)	(11 034 504)
Other operating income	2 057 277	143 200	2 200 477
Dividend received	14 101	-	14 101
Movement in expected credit losses	(154 933)	-	(154 933)
EBITD	1 986 276	79 460	2 065 736
Net finance costs	(152 849)	-	(152 849)
Depreciation	(738 623)	(42 932)	(781 555)
Monetary gain	(104 960)	(81 750)	(186 710)
Net profit before income tax	989 844	(45 222)	944 622
Income tax credit	822 645	228 669	1 051 314
Profit for the year	1 812 489	183 447	1 995 936
Statement of financial position at 31 December 2021			
Assets			
Non-current assets	8 786 891	2 518 751	11 305 642
Current assets	1 740 539	111 759	1 852 298
Total assets	10 527 430	2 630 510	13 157 940
Liabilities			
Non-current liabilities	1 356 701	3 503	1 360 204
Current liabilities	986 901	14 568	1 001 469
Total liabilities	2 343 602	18 071	2 361 673

6 Vehicles and equipment

	Motor vehicles ZWL 000	Equipment, furniture and fittings ZWL 000	Total ZWL 000
At 1 January 2021			
Cost	7 356 144	725 488	8 081 632
Accumulated depreciation	(2 810 418)	(413 128)	(3 223 546)
Net carrying amount	4 545 726	312 360	4 858 086
Year ended 31 December 2021			
Opening net book amount	4 545 726	312 360	4 858 086
Additions	243 606	77 597	321 203
Disposals	(134 052)	-	(134 052)
Cost	239 429	-	239 429
Accumulated depreciation	(105 377)	-	(105 377)
Depreciation charge	(567 412)	(44 826)	(612 238)
Closing net carrying amount	4 087 868	345 131	4 432 999
At 1 January 2022			
Cost	7 360 321	803 085	8 163 406
Accumulated depreciation	(3 272 453)	(457 954)	(3 730 407)
Net carrying amount	4 087 868	345 131	4 432 999
Year ended 31 December 2022			
Opening net book amount	4 087 868	345 131	4 432 999
Additions	1 287 695	47 619	1 335 314
Disposals	(1 134 096)	-	(1 134 096)
Cost	1 667 724	-	1 667 724
Accumulated depreciation	(533 628)	-	(533 628)
Depreciation charge	(771 475)	(61 981)	(833 456)
Closing net carrying amount	3 469 992	330 769	3 800 761
At 31 December 2022			
Cost	6 980 292	850 704	7 830 996
Accumulated depreciation	(3 510 300)	(519 935)	(4 030 235)
Net carrying amount	3 469 992	330 769	3 800 761

7 Investment property

	Total ZWL 000
At 1 January 2021	
Opening net carrying amount	2 699 305
Depreciation charge	(137 622)
Closing net carrying amount	2 561 683
Year ended 31 December 2021	
Opening carrying amount	2 561 683
Depreciation charge	(42 932)
Closing carrying amount	2 518 751
At 1 January 2022	
Cost	2 699 305
Accumulated depreciation	(180 554)
Closing carrying amount	2 518 751
Year ended 31 December 2022	
Opening carrying amount	2 518 751
Depreciation charge	(21 308)
Closing carrying amount	2 497 443
At 31 December 2022	
Cost	2 699 305
Accumulated depreciation	(201 862)
Closing carrying amount	2 497 443

	2022 ZWL 000	2021 ZWL 000
Rental income derived from investment properties	236 791	60 048
Expenses generating rental income	(61 197)	(27 697)
Expenses that did not generate rental income	(21 309)	(69 051)
	154 285	(36 700)

8 Intangible asset

	2022 ZWL 000	2021 ZWL 000
Carrying amount at 1 January	230 941	230 941
Carrying amount at 31 December	230 941	230 941

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 foreseeable 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 ZWL 000
Right of use asset	
As at 1 January 2021	865 330
Modification	598 664
Depreciation expense	(126 385)
As at 31 December 2021	1 337 609
As at 1 January 2022	1 337 609
Modification	1 072 328
Depreciation expense	(190 171)
As at 31 December 2022	2 219 766

9 Leases (Continued)

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

Lease liability	2022 ZWL 000
As at 1 January	553 567
Interest accrual	70 033
Modification	1 072 328
Payments	(468 692)
Net monetary loss	(259 103)
Total	968 133
Current	52 929
Non-current	915 204
As at 31 December	968 133

	2021 ZWL 000
As at 1 January	213 190
Interest accrual	92 124
Modification	598 665
Payments	(205 328)
Net monetary loss	(145 084)
Total	553 567
Current	24 108
Non-current	529 459
As at 31 December	553 567

Weighted Average Borrowing rate of 15.9% was used to discount future lease payments.
The following are the amounts recognised in profit or loss:

	2022 ZWL 000	2021 ZWL 000
Depreciation expense of right-of-use assets	190 171	126 385
Interest expense on lease liabilities	70 033	92 124
Expense relating to short-term and low value leases	971 306	804 482
Total amount recognised in profit or loss	1 231 510	1 022 991

The Group had total cash outflows for leases of ZWL 2 120 801 695 in 2022 (ZWL 917 687 704 in 2021).

9 Leases (Continued)

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 ZWL 236 790 551 (2021: ZWL143 201 408).

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

Within one year	229 319	173 973

10 Financial instruments by category

Financial assets at amortised cost		
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments and VAT receivable)	2 274 130	1 026 409
Cash and cash equivalents	205 796	85 042
Total	2 479 926	1 111 451
Liabilities as per statement of financial position		
Loans and borrowings	6 051 446	150 759
Trade and other payables	1 777 495	826 602
Total	7 828 941	977 361

10.1 Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value hierarchy		**2022 ZWL 000**	**2021 ZWL 000**
Assets at fair value			
Investment property	Level 3	4 073 000	719 893
Investment in equity instruments Zimplow Limited	Level 1	580 958	2 785 342

This investment was irrevocably designated at fair value through OCI asthe Group considers these investments to be strategic in nature.

The fair value of these equity shares are determined by reference to published price quotations in an active market.

10.2 Investment in equity instruments

Movement in listed equity investment balance is as follows:	2022 ZWL 000	2021 ZWL 000
Balance as at 1 January	2 785 342	-
Acquisition	-	1 508 573
Fair value movement	(2 204 384)	1 276 769
Fair value movement net of tax	(2 160 296)	1 251 234
Deferred tax (asset)/ liability	(44 088)	25 535
Balance as at 31 December	580 958	2 785 342

Fair value of the investment properties 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 2022, 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.

Price per square metre : ZWL 800 - ZWL 2 800

Significant increases/ (decreases) in estimated price per square metre in isolation would result in a significantly higher/ (lower) fair value.

Valuation Technique	Significant unobservable data
Market comparable method	Rentals per square metre

11 Inventories

	2022 ZWL 000	2021 ZWL 000
Spares, fuel and stationery	697 116	665 759

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 2022 and 2021.

Inventories with a carrying amount of ZWL712 019 120 (2021: ZWL1 538 943 360) were recognised as an expense.

12 Trade and other receivables

	2022 ZWL 000	2021 ZWL 000
Current		
Trade receivables	2 191 211	862 223
Receiveables due from related parties (note 28)	-	27 458
Less: Allowance for credit losses	(255 372)	(219 955)
Trade receivables - net	1 935 839	669 726
Prepayments	6 095 060	71 578
Staff debtors	9 219	642
VAT receivable	-	2 484
Other debtors	329 072	356 041
	8 369 190	1 100 471

Trade and other receivables are non-interest bearing and are generally on terms of 30 days.

The carrying amounts of the Group's trade and other receiveables are denominated in Zimbabwean Dollars (ZWL) and United States Dollars (USD). 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:

	2022	2021
At 1 January	219 955	65 022
Increase / (decrease) for the year	35 417	154 933
At 31 December	255 372	219 955

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:

	2022	2021
Cash and cash equivalents	205 796	85 042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 Share capital and reserves

Share capital

	Number of shares	Ordinary shares ZWL 000	Share premium ZWL 000	Non-distributable Reserve ZWL 000
At 31 December 2022	106 474 237	163 968	317 178	5 577 707
At 31 December 2021	106 474 237	163 968	317 178	5 577 707

The total number of authorised ordinary shares is 140 000 000 shares with a par value of 6.21 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

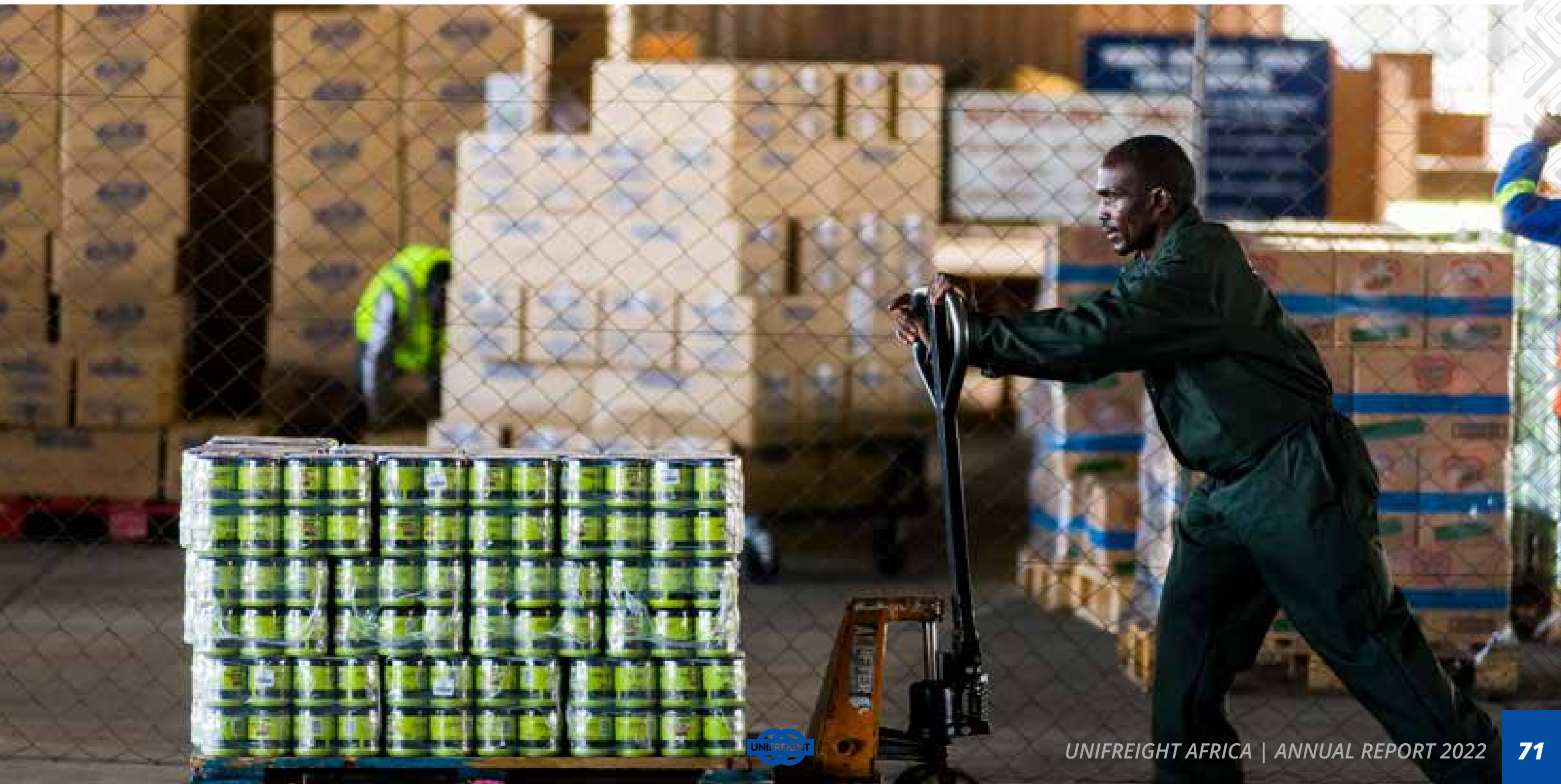
The reserve arose on the conversion of United States dollar balances to the new functional currency of Zimbabwean dollars.

15 Trade and other payables

Current		
Trade payables	1 146 685	477 689
Trade payables due to related parties (note 28)	189 659	126 340
Other payables	254 531	114 170
Social security and other statutory liabilities	186 620	108 403
	1 777 495	826 602

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.



16 Borrowings

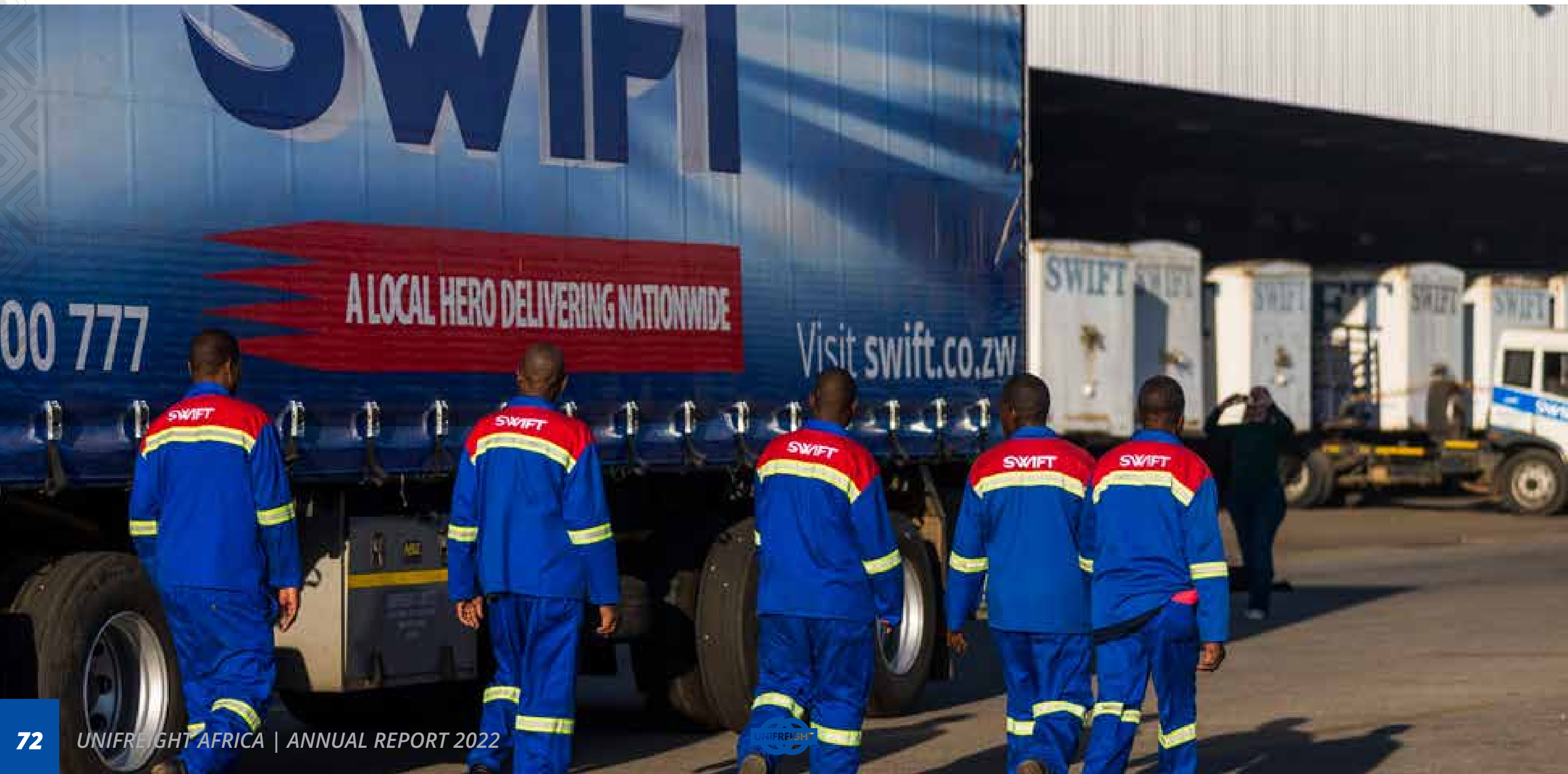
	2022 ZWL 000	2021 ZWL 000
Borrowings classified as equity		
Shareholders' loans at beginning of the year	1 375 070	1 375 070
Other borrowings		
Non-current		
Loans and borrowings	3 682 428	-
Current		
Loans and borrowings	2 369 018	150 759
Total borrowings	6 051 446	150 759

The following is the reconciliation of loans and borrowings for statement of cash-flows purposes:

	2022 ZWL 000	2021 ZWL 000
Balance as at 1 January	150 759	42 056
Net monetary gain	(305 741)	(26 886)
Proceeds from borrowings	6 890 110	260 958
Payment of borrowings	(683 682)	(125 369)
Balance as at 31 December	6 051 446	150 759

Shareholders' loans
The loans are from the major shareholders and are denominated in United States Dollars. These loans are unsecured, interest free and are not to be repaid or demanded in the near foreseeable 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
Loans and borrowings 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 10 - 200% and the liabilities will be repaid in full by December 2024.



17 Deferred tax

		2022 ZWL 000	2021 ZWL 000
The gross movement on the deferred tax is as follows :			
At beginning of year		830 745	1 902 147
Movement in temporary differences current year	**23**	(320 220)	(1 096 931)
Movement through other comprehensive income	**10.1**	(44 088)	25 529
At end of year		466 437	830 745
Deferred tax relates to the following:			
Vehicles and equipment		(158 431)	348 720
Investment properties		(5 267)	228 670
Right of use of asset		218 069	197 578
Lease liability		(60 010)	(102 132)
Inventories		48 651	8 574
Prepayments		539 768	2 256
Assets held for sale		-	-
Unrealised exchange losses		(72 255)	131 598
Investment in equity instruments at FVOCI		(44 088)	25 535
Provisions		-	(10 054)
		466 437	830 745

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.

19 Other operating income

	2022 ZWL 000	2021 ZWL 000
Scrap metal disposal prcoceeds	8 780	1 837
Profit on disposal of investment in associate	-	812 229
Profit on disposal of subsidiary	-	948 691
Food hampers	4 043	7 455
Fuel sales	150 275	25 952
Vehicle repairs	-	324
Investment property income	236 791	143 201
Other income	698	6 764
Foreign exchange gains	-	253 176
RBZ export incentives	-	848
	400 587	2 200 477

20 Operating expenses

	2022 ZWL 000	2021 ZWL 000
Employee benefit expenses (note 21)	4 635 949	3 682 397
Vehicle operating expenses	240 889	209 977
Inventory recognised as an expense	712 019	1 538 943
Fuel used	2 853 437	1 745 546
Operating lease payments	1 045 136	-
Short term/ low value lease expense	971 306	804 482
Depot/site operating expenses	210 416	953 948
IT and communication expenses	1 749 030	119 163
Forwarding and agent expenses	243 475	803 324
Freight movement expenses	127 513	630 676
Advertising and marketing expenses	-	151 295
Printing and stationary	233 966	63 652
Audit fees	94 435	66 353
Write off of non exisistent assets	-	-
Loss on disposal of vehicles and equipment	415 935	52 854
Foreign exchange losses	279 880	-
Bank charges	262 795	183 336
Net foreign exchange losses	-	-
Legal fees	39 890	28 558
	14 116 071	11 034 504

21 Employee benefits expenses

	2022 ZWL 000	2021 ZWL 000
Wages and salaries (including all directors' fees and emoluments)	4 482 174	3 617 615
Pension contributions - defined contribution plan	58 985	23 366
Social security contributions	94 790	41 416
	4 635 949	3 682 397
Average number of people employed	803	812

22 Finance cost

	2022 ZWL 000	2021 ZWL 000
Interest expense		
- bank borrowings	551 098	60 712
- Consideration liability	-	13
- lease liabilities	70 033	92 124
	621 131	152 849

23 Income tax

	2022 ZWL 000	2021 ZWL 000
Major components of income tax are:		
Normal income tax:		
- Current income tax	52 628	16 862
Capital gains tax	-	28 755
Deferred tax:		
- Movement in temporary differences (note 17)	(320 220)	(1 096 931)
	(267 592)	(1 051 314)

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 :

	2022 ZWL 000	2021 ZWL 000
Profit before tax from continuing operations	384 964	944 622
Tax calculated at 24.72%	95 163	233 511
Other non-taxable income	(40 896)	-
Profit on disposal of investment in associate	-	(200 783)
Profit on disposal of investment in subsidiary	-	(234 516)
Loss on net monetary position	(322 162)	(849 698)
- Other non-deductible expenses	303	172
Tax credit	(267 592)	(1 051 314)

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

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 2022, 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:

	2022 ZWL 000	2021 ZWL 000
Earnings attributable to ordinary equity holders of the parent:		
Continuing operations	652 556	1 995 936
Earnings attributable to ordinary equity holders of the parent for basic earnings	652 556	1 995 936

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.

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

25 Distributions made and proposed

Cash dividends on ordinary shares declared and paid:		
Final dividend for 2022: 0 cents per share (2021: 27.16 cents per share)	-	28 931

26 Cash (utilised in)/ generated from operations

Profit before tax from continuing operations	384 964	944 622
Adjusted for :		
Gain on net monetary position	(1 303 243)	186 710
Dividend received	(12 391)	(14 101)
- Profit on disposal of investment in associate	-	(812 229)
- Profit on disposal of subsidiary	-	(948 691)
-Unrealised exchange losses	279 880	23 805
- Depreciation	1 044 935	781 555
- (Profit)/ Loss on disposal of property, vehicles and equipment	415 935	52 854
- Net finance cost	621 131	152 856
- Increase in allowance for credit loss	35 417	154 933
- Inventory write off	-	154 928
- Inventories	(31 357)	-
- Trade and other receivables	(7 389 969)	376 569
- Trade and other payables	950 895	(170 471)
Cash (utilised in)/ generated from operations	(5 003 803)	883 320

27 Commitments and contingent liabilities

There are no capital commitments approved for 2022 and 2021 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 ZWL 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:		
- Purchase of vehicle/spares/services from Scanlink (Private) Limited	229 470	166 747
- Tyres from Tredcor	119 837	-
- Rental charges by Unifreight Limited	267 881	241 629
	617 188	408 376

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	2022	2022
Payables to related parties	ZWL 000	ZWL 000
- Scanlink (Private) Limited	62 211	111 536
- Trentyre	59 790	-
- Unifreight (Private) Limited	67 658	14 804
	189 659	126 340

(iii) Year end balance arising from sales of goods and services		
Receivables due from related parties		
- Scanlink (Private) Limited	-	16 788
- Unifreight (Private) Limited	-	10 664
- Trentyre	-	6
	-	27 458

(v) Directors' shareholdings
R.E. Kuipers directly has a joint-shareholding of 3 391
All other Directors have no shareholdings either directly or indirectly

(vi) Key management compensation

Salaries and other short term employee benefits	-	39 460
	-	39 460

29 Investments in subsidiaries

Operating Companies	Business
Pioneer Clan (Botswana) (Proprietary) Limited (100%) (2021 - 100%)	Cross border freight haulage and logistics
Clan Transport Company (Private) Limited (100%) (2021 - 100%)	Road freight within Zimbabwe
Trek Transport (Private) Limited t/a Skynet Worldwide Express (100%) 2021 - 100%)	Courier services
Clan Properties (Private) Limited (100%) (2021 - 100%)	Property-owning
Kirkman & Kukard (Private) Limited (100%) (2021 - 100%)	Property-owning
Clan Services (Private) Limited (100%) (2021 - 100%)	Investment owning
Pioneer Clan Holdings (Botswana) (Proprietary) Limited (100%) (2021 - 100%)	Investment owning

30 Assets held for sale

As at 31 December 2021

Disposal of investment in associate

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 Tred for ZW$67 633 926.98 payable in the form of 18 399 564 newly issued Zimplow shares. This disposal is effective 30 June 2021. Due to the associate being loss making, the equity accounted investment in associate value is nil (2020:nil). The fair value of the Zimplow shares as at 30 June 2021 was 964.22 cents per share which translated to ZWL 236 277 669 being the fair value of the consideration.

	December 2022 ZWL 000
Equity accounted value of investment in associate	-
Consideration received	236 278
Profit on disposal	236 278

Disposal of subsidiary

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$57 984 401.88 payable in the form of 15 774 446 newly issued Zimplow ordinary shares. The disposal is effective 30 June 2021. The fair value of the Zimplow shares as at 30 June 2021 is 1 284.15 cents per share which translate to ZW$ 202 567 264 being the fair value of the consideration.

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

The fair value of the assets and liabilities previously disclosed as assets/liabilities held for sale were as follows:

	December 2022 ZWL 000
Assets	
Liabilities	(71 247)
Net Assets	2 160
Consideration received	(73 408)
	202 567
Profit on disposal of subsidiary	
Net cash outflow	275 975
	-

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 53rd Annual General Meeting of members will be held in the History Boardroom of the Royal Harare Golf Club, 5th Street Extension & Josiah Tongogara Avenue, Harare on 28 July 2023 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
To consider and adopt the Financial Statements for the year ended 31 December 2022 together with the reports of the Directors and Auditors.

3. DIRECTORATE
3.1 To note that in terms of article 99 of the Articles of Association, one-third of the Directors shall retire from office and be eligible for re-election. Messrs Belmont Njabulo Ndebele and Mark Andrew Kalweit retire by rotation and, both being eligible, offer themselves for re-election. The re-election will be done under speperate resolutions.
3.2 To note the resignation of Mr. Mosi Sibanda from his role as Chief Financial Officer with effect from 31 May 2022 and the appointment of Mr. Jackson Nyakupfawa Fambawaputa as Chief Financial Officer with effect from 1 June 2022.
3.3 To note the resignation of Mr. Robert Edward Kuipers from his role as Chief Executive Officer with effect from 31 December 2022 and the appointment of Mr. Richard Peter Alan Clarke as Chief Executive Officer with effect from 1 January 2023.

4. DIRECTORS' FEES
To approve Directors fees for the year ended 31 December 2022.

5. AUDITORS
5.1 To approve the remuneration of the Auditors, Grant Thornton Chartered Accountants for the year ended 31 December 2022.
5.2 To reappoint Grant Thornton as Auditors for the ensuing year, being their second year as Auditors of the Company.

6. DIVIDEND
To note that no Dividend was declared by the Directors in 2022.

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

For and on behalf of the Board

M. T. J. Mnemo
Company Secretary
7 July 2023

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 in the History Boardroom of the Royal Harare Golf Club, 5th Street Extension & Josiah Tongogara Avenue, Harare on 28 July 2023 at 10.00am to conduct the following business.

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.

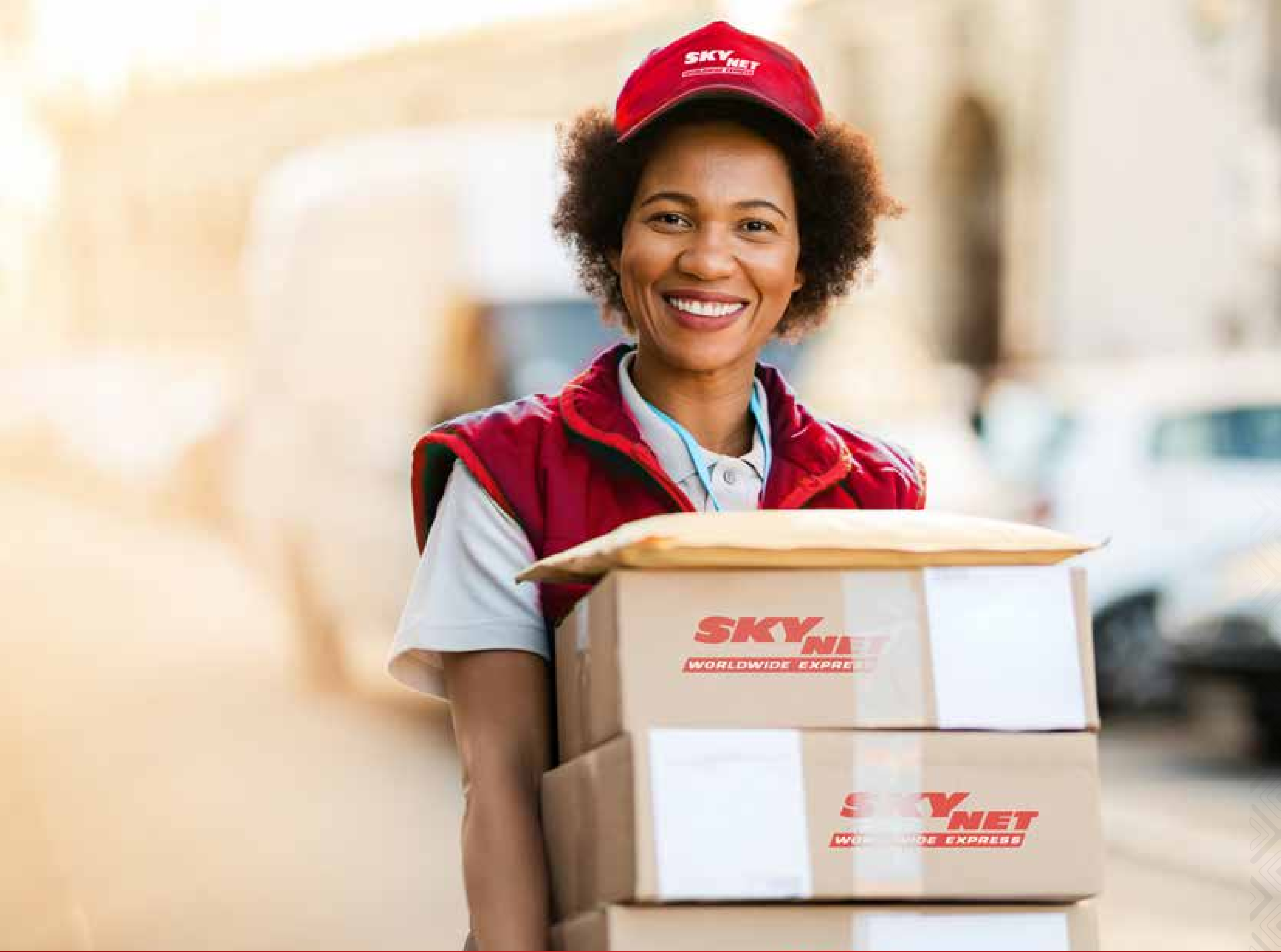
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders.
Seniority will be determined by the order in which names stand in the register of members.

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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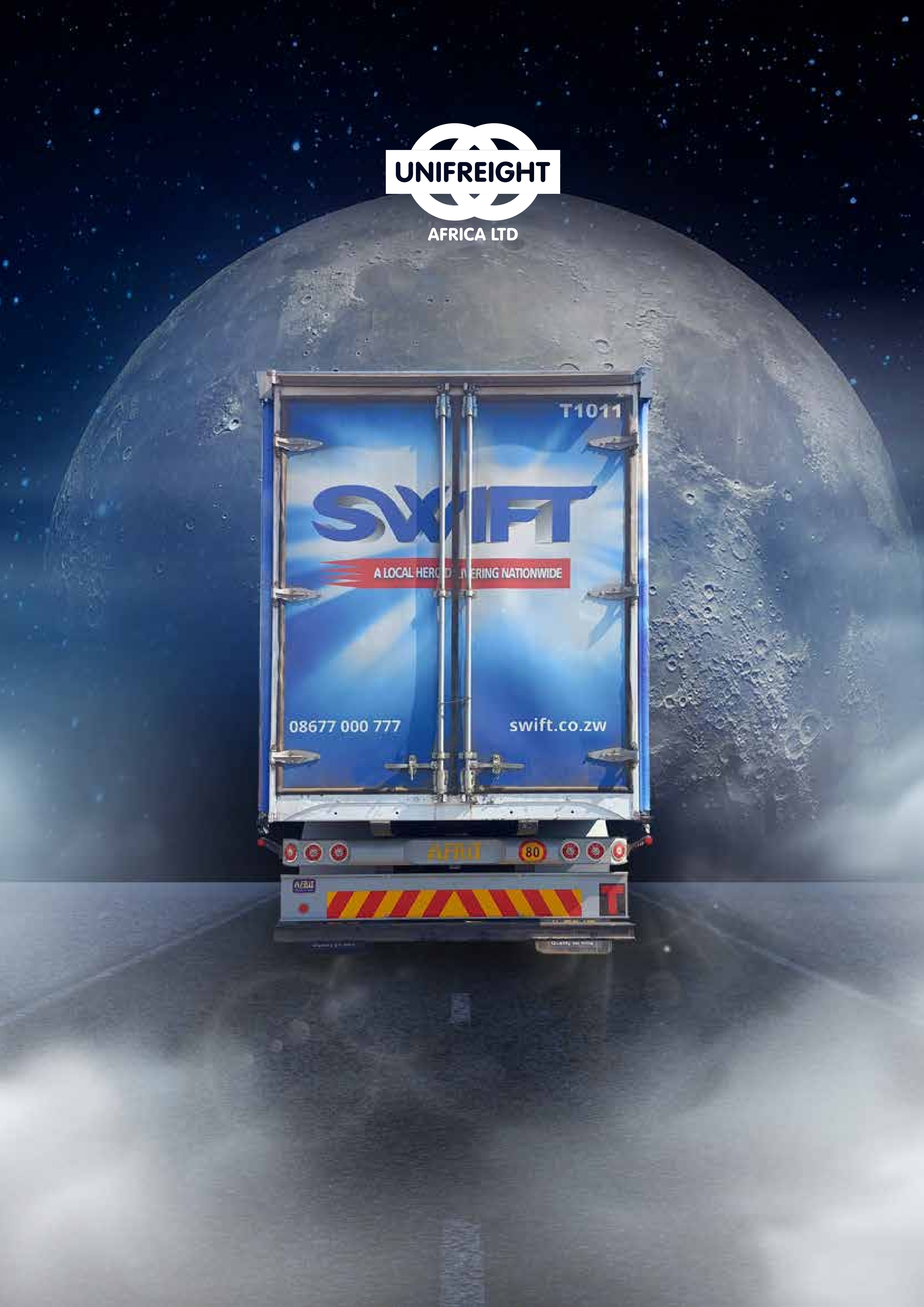
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