UNIFREIGHT


# 2023 ANNUAL REPORT

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UNIFREIGHT

AFRICA LTD


SWIFT
FAW
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# COMPANY PROFILE

*Unifreight Africa Limited, listed on the Zimbabwe Stock Exchange, has proudly been operating in the Zimbabwean market for the past 78 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.

# 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 Zimbabweand the Southern African region.

## Values
WE  SOLVE PROBLEMS by delivering on our promises with united focused teamwork through offering logistics solutions.

# UNIFREIGHT CORE VALUES

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

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

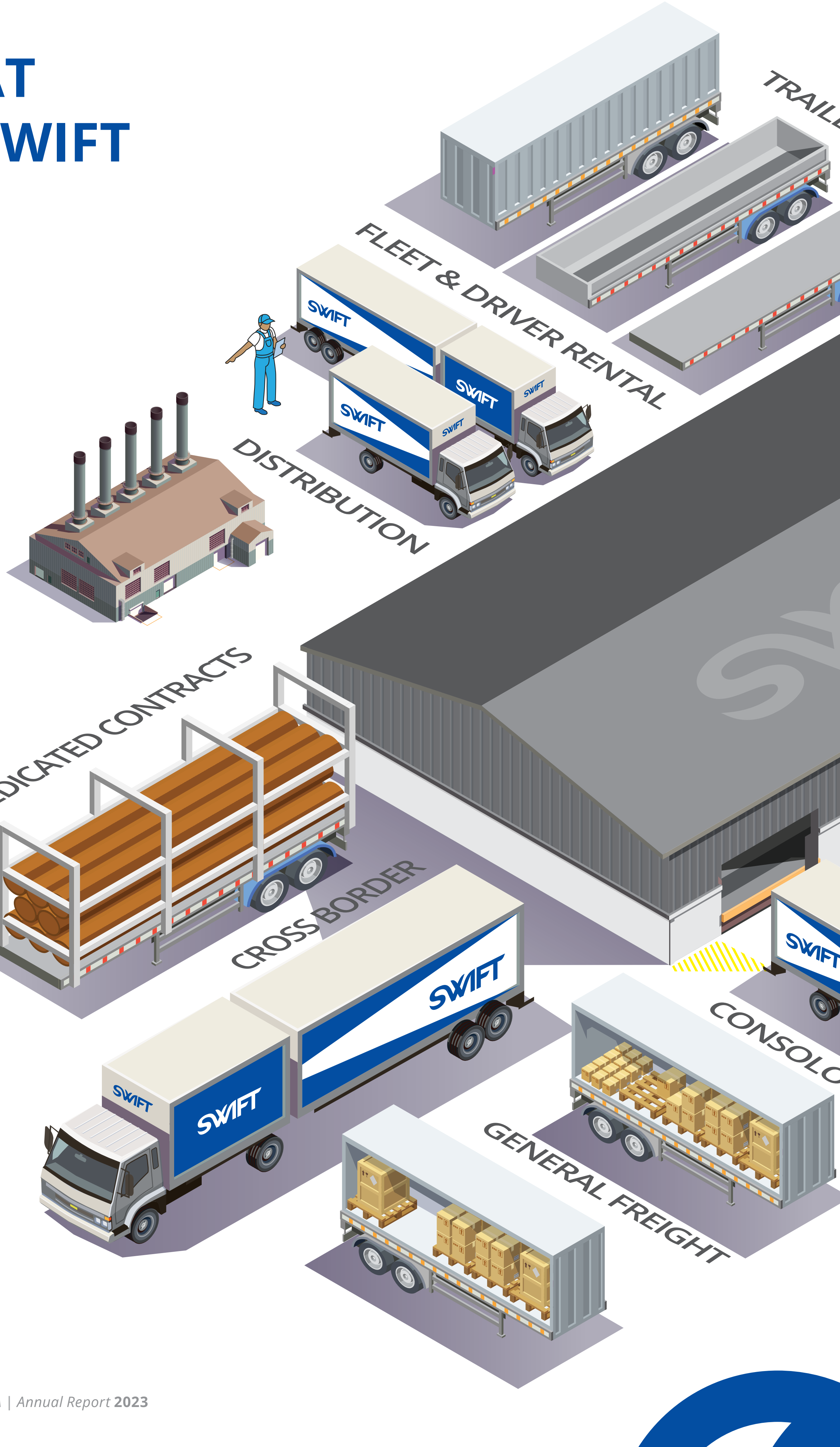
## Commitment
We are committed to ensuring delivery of quality service on time, every time, to our valued customers in an ethical and profitable manner. We commit to creating an environment where we can grow mutually beneficial, long term relationships with all our partners, and where our work and our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

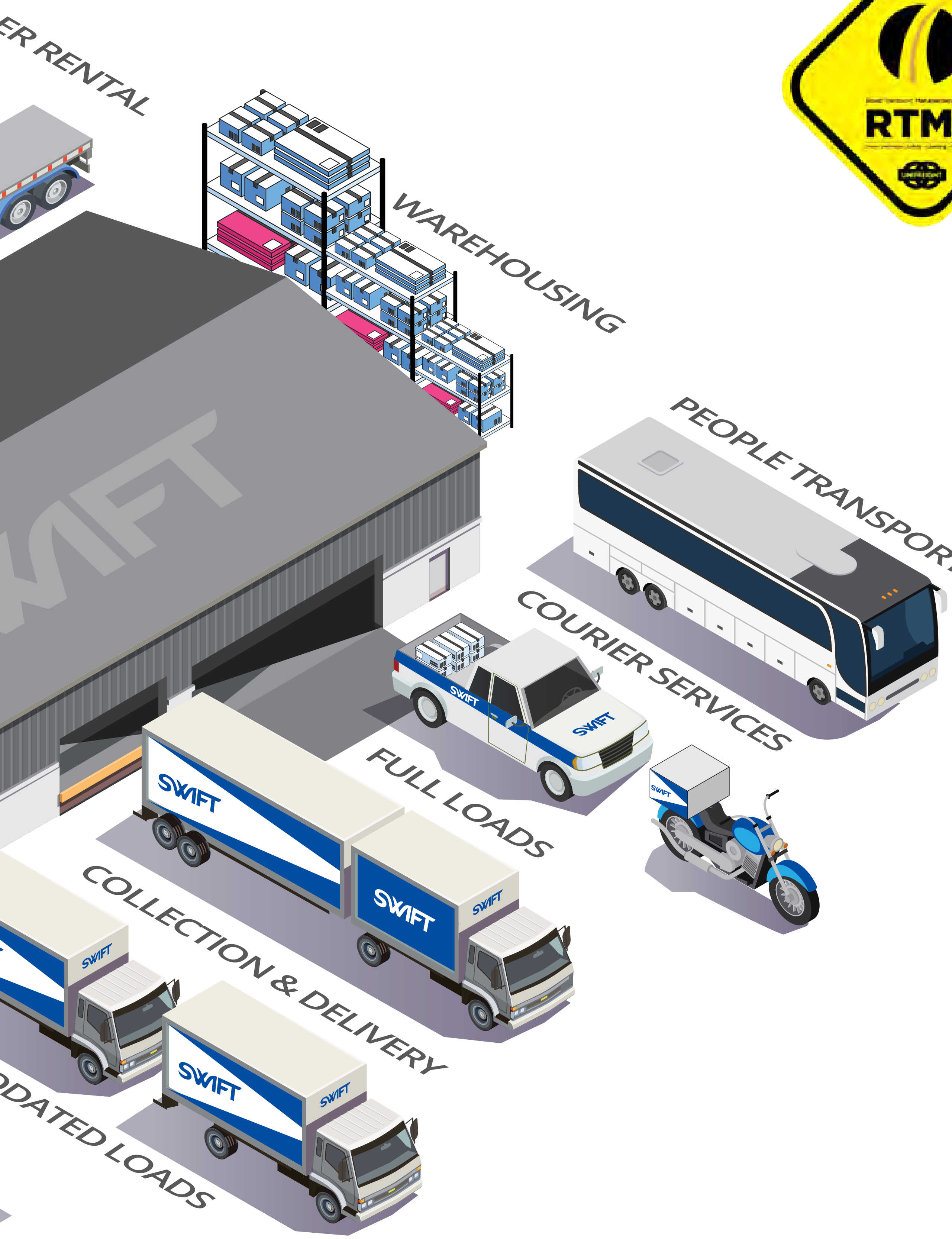
## Going the extra mile
We aim to exceed all expectations by going beyond the call of duty, showing initiative and breaking the boundaries of mediocrity, to ensure our team and customers are presented with extraordinary results and exceptional value.

## 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.

# WHAT WE SWIFT




WAREHOUSING
PEOPLE TRANSPORT
COURIER SERVICES
FULL LOADS
COLLECTION & DELIVERY
SWIFT

# HOW WE SWIFT

**MARKETING**
*Brand Awareness*

**FINANCE**
*Compliance*
*Governance*

**PROCUREMENT**
*Compliance &*
*Strategic Partners*

**ENGINEERING**
*Modern Fleet,*
*On Road Support &*
*Skilled Technicians*

**INFORMATION TECHNOLOGY**
*Latest Technology &*
*Digital Management*


**SALES**
*Unlocking Value,*
*Relations Driven*

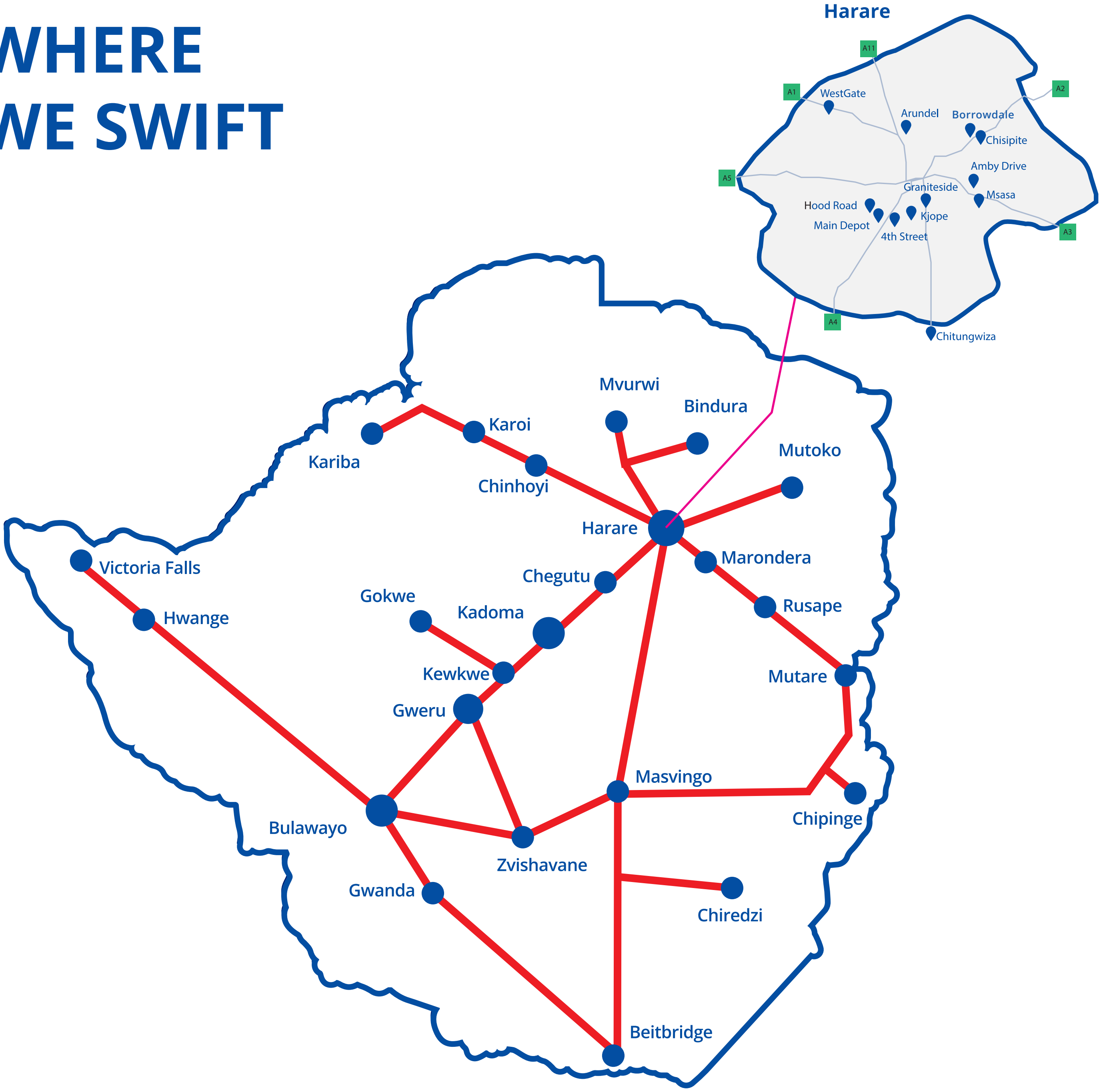
**RESEARCH & DEVELOPMENT**
*Continuous Improvements,*
*Innovative Designs,*
*Efficiency Driven*

**CUSTOMER SUPPORT**
*Always Available,*
*Flexible & Quick*

**SECURITY & RISK**
*Employee Safety &*
*Product Safety*

**HUMAN RESOURCES**
*High Performing Staff,*
*Culture of Inclusivity*

# WHERE WE SWIFT



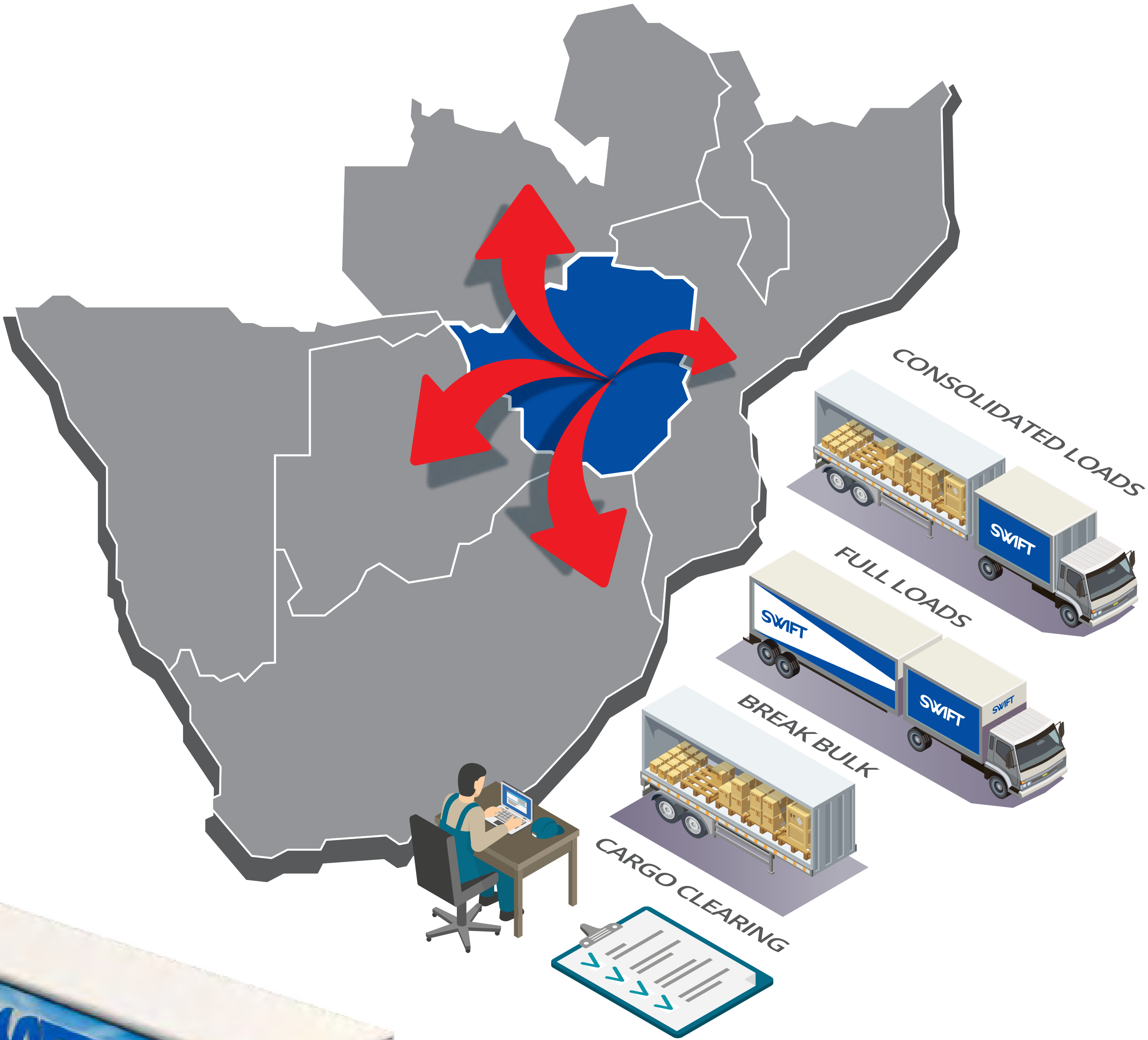

**20** WAREHOUSES

**40** OUTLETS

OVER **220** VEHICLES

OVER **300** TRAILERS

# CROSS BORDER




# CHAIRMAN'S REPORT:
For the year ended 2023

Dear Esteemed Shareholders,

I am honored, as the Board Chairperson of Unifreight, to present the comprehensive annual report for the fiscal year ending in 2023. The year under review was characterized by considerable challenges and transformations, yet it also brought forth encouraging advancements that fortify our trajectory towards sustained growth.

**Economic Overview**
The fiscal year 2023 was marked by a challenging economic environment, primarily due to the substantial depreciation of the Zimbabwean Dollar. This eventually led to the introduction of a new currency, the Zimbabwe Gold (ZIG). The significant currency depreciation experienced during the year continued to constrict market liquidity as industries grappled with reduced access to finance in either Zimbabwean Dollars or Nostro. This fiscal tightening adversely affected many sectors, including Unifreight, by impacting cash flows.

**Financial Performance Summary**
Our financial results have been prepared on an inflation-adjusted basis, in compliance with IAS 29 "Financial Reporting in Hyperinflationary Economies". We urge shareholders to exercise caution when using these audited abridged consolidated financial statements due to the material and pervasive impact of the technical complexities associated with reporting under IAS 29.

In FY2023, the group posted a profit of ZWL 192b. This was largely attributed to improvements in our operating margins, which rose from 0% in 2021 to 2.56% in 2022, and further to 20.6% in 2023. The significant improvement in 2023 was driven by the management team's aggressive pursuit of cost containment strategies, coupled with the deployment of an additional 50 FAW 380FT Truck Tractors with Afrit Tautliner Trailers into the local and cross-border market.

During the year, we successfully renegotiated terms on foreign-denominated loans with major financiers to more favorable local conditions. As of 31 December 2023, our loan book stood at ZWL24Bln. Additionally, we transitioned our Property Plant and Equipment policy from a cost model to a revaluation model, resulting in a deferred tax liability of ZWL52Bln in 2023, up from ZWL2Bln in 2022.

**Dividend Declaration**
The Board has resolved to declare a final dividend for the year ended 31 December 2023. The dividend, payable to all ordinary shareholders registered in the company's books, is a blend of Zimbabwe Dollars (ZWL) and United States Dollars (USD). The Zimbabwe Dollars amount is now payable in the new currency, Zimbabwe Gold (ZiG). The final dividend amounts are US$200,000.00 (US$0.001878 per share) and ZiG1,344,000.00 (ZiG0,012623 per share). A separate announcement will be made regarding the payment of the dividend.

**Outlook**
Despite a challenging Q1 marked by subdued volumes due to the introduction of the new Zimbabwean Currency, the ZiG, we remain optimistic about Unifreight's future. Our growth is underpinned by quality contracts we have been able to execute following the completion of the fleet expansion project in 2023. We have successfully secured a larger share of the tobacco market and now transport over 20% of the total Zimbabwean tobacco crop.

**Appreciation**
I would like to express my profound gratitude and appreciation to our customers, business partners, and our valued shareholders for their unwavering confidence in us. Your trust will be deservedly rewarded over time. I also extend my gratitude to the Unifreight Board of Directors, employees, management, and executive team for their passion, commitment, and dedication to fostering a high-performance culture and ensuring Unifreight's continued growth.

For and on behalf of the Board

**Peter Annesley**
*Chairman*
24 March 2024

# CEO'S REPORT:

For the year ended 2023

## ACKNOWLEDGEMENTS

2023 marked a year of significant milestones for Unifreight Africa, driven by our commitment to growth and excellence. We extend our gratitude to our board, management, staff, and stakeholders for their unwavering support and dedication.

## OVERVIEW

In 2023, Unifreight Africa made substantial strides to solidify its position as a dominant force in the Zimbabwean transport sector. A highlight of the year was the successful deployment of 100 brand new FAW 380hp prime movers with Afrit trailers. This significant addition to our fleet underscores our commitment to operational excellence and service delivery. The new assets became fully operational in the first quarter of 2023, positioning us for enhanced service capabilities and market penetration.

## BUSINESS PERFORMANCE SUMMARY

### Financial Performance

The financial year 2023 saw Unifreight Africa achieve remarkable profitability, reflecting our strategic initiatives and operational efficiencies. Key financial highlights include:

- **Revenue:** ZWL 201 billion, a substantial increase from a restated ZWL 69 billion in 2022.
- **EBITDA:** ZWL 119 billion, up from ZWL 10 billion in 2022.
- **Net Profit:** ZWL 141 billion, a significant turnaround from the previous year's loss. These figures underscore the impact of our enhanced fleet and rigorous cost management strategies. The reduction in repair and maintenance costs from 12.5% to under 7% of revenue is a testament to the efficiencies gained from our new fleet.

### Liquidity Analysis

Our balance sheet has demonstrated improved liquidity, reflecting our strong financial management. Key liquidity ratios for 2023 are as follows:

- **Current Ratio: 1.47**
- **Quick Ratio: 0.97**

These ratios highlight our solid liquidity position, indicating our ability to meet short-term obligations efficiently. The gearing levels have also improved, with a focus on reducing debt and enhancing equity.

### Strategic Focus on Tobacco Revenue

Tobacco transportation remained a cornerstone of our operations in 2023. With the addition of new prime movers, we transported 38 million kilograms of tobacco from the regional floors, a 70% increase from the previous year. This surge not only solidified our market leadership but also contributed significantly to our revenue growth.

### Fleet Upgrades

In addition to the new prime movers, we upgraded our Collection and Delivery (C&D) fleet with 5 FAW 8.140ft 5t van bodies and 10 FAW 28.290FL van bodies. These upgrades enhance our ability to meet diverse customer needs and expand our service offerings.

### Outlook And Strategy

Our strategic focus in 2024 and beyond includes continued fleet expansion and diversification of revenue streams. Key initiatives include:

1. **Further Tobacco Growth:** Although the 2024 season has only achieved 75% of the bumper 2023 season, we still managed to secure well over 30 million kilograms from the regional floors and have grown our market share. We aim to grow our share even more in the 2025 season.

**2.Depot Upgrades:** We are committed to upgrading the look and feel of our existing 35 depots, starting with major centers and have begun implementing some of the latest fleet monitoring technologies to ensure optimization.

**3.Cross Border and Contract Haulage:** With the foundational 100 new FAW prime movers, we will continue to expand into cross-border and contract haulage and aim to add between 30 and 60 new FAWs to the cross-border fleet before the year-end. This will help us:

**•Increase foreign currency earnings.**
**•Reduce seasonal revenue fluctuations.**
**•Mitigate risks associated with downturns in the local manufacturing sector, as observed during Q1 this year.**

### Economic Outlook

The introduction of the new Zimbabwean currency, ZWG, in early 2024 has had a profound impact on the formal market in Zimbabwe. As the CEO of Unifreight Africa, it is my duty to provide an insightful analysis of these developments and their implications for our business and the broader economic landscape.

The ZWG, anchored by a composite basket of foreign currencies and precious metals, was introduced to stabilize the local economy and curb inflation. This move was necessitated by the persistent economic challenges that have plagued Zimbabwe, including hyperinflation and currency instability. The introduction of ZWG has had mixed effects on the formal market.

### Positive Impacts:

**1. Stabilization of the Economy:** The ZWG has contributed to the stabilization of prices and reduced the volatility that businesses have been grappling with. This stability is crucial for planning and executing long-term business strategies.

**1. Enhanced Liquidity:** The new currency has improved liquidity in the market. With better access to a stable currency, businesses have been able to manage their cash flows more effectively, ensuring smoother operations and transactions.

**2. Increased Confidence:** The introduction of a currency backed by tangible assets has increased confidence among investors and the business community. This confidence is vital for attracting both local and foreign investments, which are essential for economic growth.

### Challenges:

**1. Transition Period:** The transition to the new currency has not been without its challenges. Businesses have had to adjust their accounting systems, pricing strategies, and payment mechanisms to align with the new currency, leading to temporary disruptions.

**2. Public Adaptation:** While the formal market has shown resilience, the general public's adaptation to the new currency has been gradual. Educating the populace and ensuring widespread acceptance remain critical for the currency's long-term success.

**3. Impact on Imports and Exports:** The new currency's exchange rate dynamics have impacted the cost of imports and the competitiveness of exports. Businesses involved in international trade have had to navigate these changes carefully to maintain profitability.

At Unifreight Africa, we have proactively adapted to these changes by revising our financial strategies and ensuring compliance with the new currency regulations. We remain optimistic that the ZWG will foster a more stable and predictable economic environment, enabling us to continue delivering value to our shareholders and stakeholders.

### Conclusion

While the introduction of the ZWG has presented certain challenges, it has also opened up opportunities for economic stabilization and growth. We are committed to navigating this new economic landscape with agility and foresight, ensuring that Unifreight Africa remains at the forefront of Zimbabwe's transport industry.

Unifreight Africa is well-positioned for sustained growth and profitability. Our strategic investments in fleet expansion, focus on high-revenue sectors like tobacco, and diversification into cross-border haulage are set to drive significant value for our shareholders and stakeholders. We are excited about the future and confident in our ability to deliver enhanced value.

Thank you for your continued support.

**R.P.A Clarke**
*Chief-Executive Officer*

# 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 as corporate governance in concerned.

Strong Corporate governance is about having clear and systematic decision-making processes, providing clarity about responsibilities, avoiding conflicts of interest and ensuring satisfactory internal control, risk management, transparency and accountability. As UAL, 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 objective of these structures is thus to maintain and increase Shareholder value, ensure a prudential and ethical basis for the Company's conducts and activities, and ensure compliance with the Company's legal and regulatory objectives.

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 fulfil 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 calibre 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 and review of the 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 two of its Committees which are accountable to the Board. These Committees are chaired by Non Executive Directors who exercise independent judgment.

**Finance, Audit & Risk Committee**

An independent Non Executive Director chairs the Finance, Audit and Risk Committee. 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*

# 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 Finance 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



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# 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.

# 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

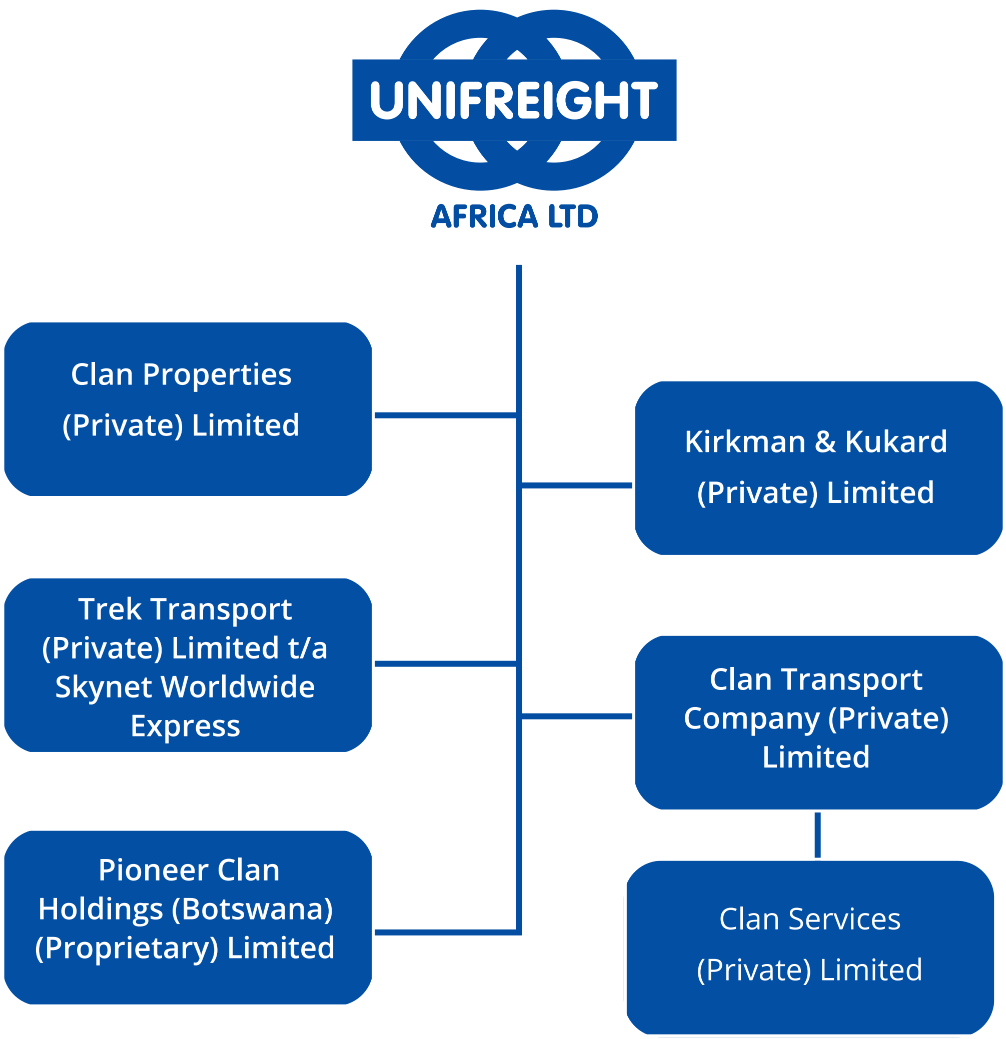
**Clan Properties (Private) Limited, Kirkman & Kukard (Private) Limited**
Property - owning Companies - Subsidiaries

**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




SWIFT
SWIFTER
SWIFTEST
Road Transport Management System
RTMS
Driver Wellness • Safety • Loading • Productivity
UNIFREIGHT
SWIFT
SWIFT
swift.co.zw

# CORPORATE SOCIAL RESPONSIBILITY

**2023 overview**

In 2023, our company took significant strides in fulfilling our Corporate Social Responsibility (CSR) commitments, making a tangible difference in the lives of many Zimbabweans. We are proud to share that we donated over $30,000 worth of groceries and facilitated the movement of over 147 tonnes of goods across Zimbabwe. These efforts underscore our dedication to supporting and uplifting the communities in which we operate.

**A Commitment to Community**

Unifreight Africa's CSR initiatives are a testament to the company's dedication to giving back to the community. By addressing the needs of the elderly, supporting orphanages, aiding national sports teams, and partnering with various charitable organizations, Unifreight Africa demonstrates that corporate success and social responsibility can go hand in hand. The company's efforts not only provide immediate benefits to those in need but also contribute to the long-term well-being and development of the community.

**Unifreight Africa: Driving Change Through Corporate Social Responsibility**

In today's world, Corporate Social Responsibility (CSR) has become an integral part of business operations, reflecting a company's commitment to ethical practices and community support. Unifreight Africa, a leading logistics and transportation company, exemplifies this commitment through a variety of impactful initiatives. From aiding the elderly and orphanages to supporting national sports teams and various charitable organizations, Unifreight Africa is dedicated to making a positive difference in society.

**Supporting the Elderly and Orphanages**

One of the cornerstones of Unifreight Africa's CSR efforts is its unwavering support for the elderly and orphanages. Recognizing the vulnerability of these groups, the company has implemented programs to ensure they receive essential food supplies. Unifreight Africa collaborates with local food banks and community organizations to deliver nutritious meals and groceries to elderly individuals who may have limited mobility or resources. Similarly, orphanages benefit from regular food donations, ensuring that children in need have access to healthy meals. At the end of 2023 we engaged with MobiKitchen, who provide hot meals 3 times a week to displaced children, all over Harare.

***Ireland Tour to Zimbabwe***

### Transporting National Teams

Unifreight Africa takes pride in its role as a key supporter of national sports teams, including cricket and triathlon. By providing reliable and efficient transportation services, the company ensures that athletes can focus on their training and performance without worrying about logistics.

### Charity Transport Services

In addition to its direct support for the elderly and orphanages, Unifreight Africa extends its CSR efforts to a wide range of charitable organizations. The company offers dedicated transport services to several notable charities, ensuring that their operations run smoothly and efficiently. Some of the charities benefiting from Unifreight Africa's services include:
Miracle Missions, Jairos Jiri, KidzCan, Emerald Hill School for the Deaf, The Friendlies Foundation and on the wildlife side we help Kariba Wildlife Conservation by transporting much needed equipment to protect and preserve wildlife in the Kariba region, from tyres for vehicles to poles for new fencing. Our CSR also includes those animals that are not so fortunate to roam free, SPCA and Animal Friend Foundation get donated a variety of goods, not only for the animals but also the people who work tirelessly to ensure the safety of these animals.

***MobiKitchen - Epworth, Harare; feeding of over 500 children***

# 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 set out on pages 32 to 91, which comprise the consolidated inflation adjusted statement of financial position as at 31 December 2023, 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 2023, 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.

**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** | |
| 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.<br>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.<br>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.<br>Revenue recognition was identified as a risk area requiring special audit consideration. | Our audit procedures included the following:<br>Tested the general and application controls around the revenue systems of the Group and reviewed the controls.<br>Performed revenue analytics to identify anomalies in the revenue and corroborated by tracing to supporting documentation on the explanations provided.<br>Performed gap detection and duplicates test.<br>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 judgement and maintain professional scepticism 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

Farai Chibisa
**Partner**

Registered Public Auditor (PAAB No: 0547)

**Grant Thornton**
30 May 2024
Chartered Accountants (Zimbabwe)
Registered Public Auditors
**HARARE**

# CONSOLIDATED STATEMENT
## OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | AUDITED | | | | | |
|---|---|---|---|---|---|---|
| | December 2023 | December 2022 | December 2021 | December 2023 | December 2022 | December 2021 |
| | | Restated | Restated | | Restated | Restated |
| | Inflation Adj | Inflation Adj | Inflation Adj | Historic | Historic | Historic |
| | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 |
| **ASSETS** | | | | | | |
| **Non current assets** | **295,490,207** | **53,325,929** | **54,835,203** | **225,203,038** | **7,074,395** | **1,894,447** |
| Vehicles and equipment | 159,603,909 | 18,264,079 | 21,302,219 | 159,603,908 | 1,481,311 | 168,349 |
| Investment properties | 34,384,000 | 19,572,289 | 12,610,903 | 34,384,000 | 4,073,426 | 763,792 |
| Investment in equity instruments | 14,923,790 | 2,791,721 | 13,384,611 | 14,923,790 | 580,958 | 810,258 |
| Right of use of asset | 85,468,750 | 11,588,082 | 6,427,712 | 16,289,840 | 937,200 | 150,548 |
| Intangible assets | 1,109,758 | 1,109,758 | 1,109,758 | 1,500 | 1,500 | 1,500 |
| Intangible assets | 721,402 | 721,402 | 283,198 | 1,500 | 1,500 | 1,500 |
| **Current assets** | **61,454,738** | **44,555,919** | **8,900,985** | **44,250,506** | **6,915,918** | **528,836** |
| Inventories | 20,944,502 | 3,349,901 | 3,199,221 | 3,740,270 | 500,303 | 183,669 |
| Income tax asset | - | - | 4,930 | - | 2,697 | 300 |
| Trade and other receivables | 31,390,769 | 40,217,091 | 5,288,175 | 31,390,769 | 6,207,122 | 320,128 |
| Cash and cash equivalents | 9,119,467 | 988,927 | 408,659 | 9,119,467 | 205,796 | 24,739 |
| **TOTAL ASSETS** | **356,944,945** | **97,881,848** | **63,736,188** | **269,453,544** | **13,990,313** | **2,423,283** |
| **Equity** | **238,075,862** | **51,843,256** | **52,387,465** | **170,214,858** | **5,164,843** | **1,952,014** |
| Share capital | 787,928 | 787,928 | 787,928 | 1,065 | 1,065 | 1,065 |
| Share premium | 1,524,159 | 1,524,159 | 1,524,159 | 2,060 | 2,060 | 2,060 |
| Revaluation reserve | 40,172,328 | - | - | 97,838,799 | - | - |
| Non-distributable reserve | 26,802,970 | 26,802,970 | 26,802,970 | 46,356 | 46,356 | 46,356 |
| Fair value reserve for financial assets at FVOCI | 7,157,083 | (4,368,383) | 6,012,648 | 14,281,486 | 247,693 | 476,994 |
| Equity component of shareholders loans | - | 6,607,726 | 6,607,726 | - | 8,931 | 8,931 |
| Retained earnings | 161,631,394 | 20,488,856 | 10,652,034 | 58,045,092 | 4,858,738 | 1,416,608 |
| **Non current liabilities** | **76,985,843** | **25,548,556** | **6,536,290** | **57,355,446** | **4,626,028** | **179,941** |
| Loans and borrowings | 14,791,436 | 17,695,445 | - | 14,791,436 | 3,682,428 | - |
| Lease liability | 10,126,528 | 5,611,706 | 2,544,249 | 10,126,528 | 915,204 | 154,020 |
| Deferred tax liabilities | 52,067,879 | 2,241,405 | 3,992,041 | 32,437,482 | 28,396 | 25,921 |
| **Current liabilities** | **41,883,240** | **20,490,036** | **4,812,433** | **41,883,240** | **4,199,442** | **291,328** |
| Trade and other payables | 24,265,924 | 8,541,529 | 3,972,132 | 24,265,924 | 1,777,495 | 240,459 |
| Income tax payable | 1,204,483 | 239,947 | - | 1,204,483 | - | - |
| Lease liability | 5,849,431 | 324,542 | 115,848 | 5,849,431 | 52,929 | 7,013 |
| Loans and borrowings | 10,563,402 | 11,384,018 | 724,453 | 10,563,402 | 2,369,018 | 43,856 |
| **TOTAL EQUITY AND LIABILITIES** | **356,944,945** | **97,881,848** | **63,736,188** | **269,453,544** | **13,990,313** | **2,423,283** |

P.J. Annesley
Chairman

R.P.A. Clarke
Chief Executive Officer

# CONSOLIDATED STATEMENT
## OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023

| | AUDITED | | | |
|---|---|---|---|---|
| | December 2023 | December 2022 Restated | December 2023 | December 2022 Restated |
| | Inflation Adj | Inflation Adj | Historic | Historic |
| | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 |
| **Revenue** | **201,458,835** | **69,612,079** | **119,095,201** | **9,940,426** |
| Operating costs | (160,855,013) | (67,833,005) | (97,097,344) | (9,610,693) |
| Movement in expected credit losses | (2,060,345) | (170,192) | (3,199,893) | (167,762) |
| Dividend received | - | 59,543 | - | 12,391 |
| Other operating income | 81,441,768 | 8,886,356 | 48,411,587 | 3,865,865 |
| **Earnings before interest, tax, depreciation and amortisation (EBITDA)** | **119,985,245** | **10,554,781** | **67,209,551** | **4,040,227** |
| Finance costs | (6,449,954) | (2,984,767) | (3,446,833) | (473,621) |
| Depreciation | (12,014,168) | (4,918,911) | (9,006,576) | (71,901) |
| Monetary gain | 78,206,525 | 5,899,840 | - | - |
| **Profit before taxation** | **179,727,648** | **8,550,840** | **54,756,142** | **3,494,705** |
| Income tax (expense)/credit | (38,585,110) | 1,285,880 | (1,569,788) | (52,628) |
| **Profit for the year from continuing operations** | **141,142,538** | **9,836,823** | **53,186,354** | **3,442,077** |
| **Net profit for the year** | **141,142,538** | **10,105,039** | **53,186,354** | **3,442,077** |
| **Other comprehensive income** | - | - | - | - |
| **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 | 11,525,466 | (10,381,031) | 14,033,793 | (225,548) |
| Revaluation gain | 40,172,328 | - | 65,711,074 | - |
| **Other comprehensive (loss)/income for the year, net of tax** | **51,697,794** | **(10,381,031)** | **79,744,867** | **(225,548)** |
| **Total comprehensive (loss)/ income for the year, net of tax** | **192,840,332** | **(544,208)** | **132,931,221** | **3,216,529** |
| **Earnings per share** | | | | |
| - Basic (loss)/earnings for the year attributable to ordinary equity holders of the parent (cents) | 181,115 | (6,804) | 124,848 | 3,021 |
| - Diluted (loss)/earnings for the year attributable to ordinary equity holders of the parent (cents) | 181,115 | (6,805) | 124,848 | 3,021 |
| - Headline earnings for the year attributable to ordinary equity holders of the parent (cents) | 64,715 | (8,139) | 34,934 | (65,205) |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31 December 2023

**Inflation Adjusted**

| | Notes | Share capital | Share premium | Non-distributable reserves | | Fair value reserve | Equity portion of shareholders | Retained earnings | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 | ZWL 000 |
| **Balance as at 1 January 2022** | | 787 928 | 1 524 159 | 26 802 970 | - | 6 012 648 | 6 607 726 | 10 144 672 | 51 880 103 |
| Change in accounting policy | | - | - | - | - | - | - | 507 362 | 507 362 |
| **Restated opening balance** | | 787 928 | 1 524 159 | 26 802 970 | - | 6 012 648 | 6 607 726 | 10 652 034 | 52 387 465 |
| **Restated profit for the period** | | - | - | - | - | - | - | 9 836 823 | 9 836 823 |
| Change in accounting policy | | - | - | - | - | - | - | 7 063 779 | 7 063 779 |
| Profit for the year | | - | - | - | - | - | - | 2 773 044 | 2 773 044 |
| Net gain on equity instruments designated at fair value through other comprehensive income | 10.1 | - | - | - | - | (10 381 031) | - | - | (10 381 031) |
| **Balance as at 31 December 2022** | | 787 928 | 1 524 159 | 26 802 970 | - | (4 368 383) | 6 607 726 | 20 488 857 | 51 843 257 |
| **Balance as at 1 January 2023** | | 787 928 | 1 524 159 | 26 802 970 | - | (4 368 383) | 6 607 726 | 20 488 857 | 51 843 257 |
| Profit for the period | | - | - | - | - | - | - | 141 142 538 | 141 142 53 |
| Revaluation gains | | - | - | - | 40 172 328 | - | - | - | 40 172 328 |
| Fair value through other comprehensive income | | - | - | - | - | 11 525 466 | - | - | 11 525 466 |
| Reclassification of shareholders loan | | - | - | - | - | - | (6 607 726) | - | (6 607 726) |
| **Balance as at 31 December 2023** | | 787 928 | 1 524 159 | 26 802 970 | 40 172 328 | 7 157 083 | - | 161 631 395 | 238 075 863 |

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

| Inflation adjusted | | | |
|---|---|---|---|
| | Notes | 2023<br>ZWL 000 | *Restated<br>2022<br>ZWL 000 |
| **Cash (utilised in)/ generated from operations** | | | |
| Profit before tax from continuing operations | | 179 727 648 | 8 550 943 |
| Adjusted for : | | | |
| Monetary gain | | (78 206 525) | (5 899 840) |
| Dividend received | | - | (59 543) |
| - Fair value gains on investment properties | | (20 125 415) | - |
| - Unrealised exchange losses | | (3 865 904) | 1 344 928 |
| - Depreciation | 6 | 12 014 168 | 4 918 91 |
| - (Profit)/ Loss on disposal of vehicles and equipment | | (1 691 283) | 1 998 72 |
| - Net finance cost | | 6 449 954 | 2 984 767 |
| - Interest on consideration liability | | - | 170 19 |
| - Increase in Inventories | | (17 594 601) | (150 682) |
| - Decrease/ (increase) in trade and other receivables | | 8 826 322 | (35 511 567) |
| - Increase in trade and other payables | | 15 724 395 | 4 569 406 |
| **Cash generated/ (utilised in) from operations** | | 101 258 759 | (17 083 762) |
| Cash generated/ (utilised in) from operations | 26 | 101 258 759 | (17 083 762) |
| Interest paid | 22 | (1 516 601) | (2 984 767) |
| Taxation paid | | - | (16 257) |
| **Net cash generated/ (utilised in) from operating activities** | | 99 742 158 | (20 084 786) |
| Purchase of vehicles and equipment | 6 | (97 716 441) | (6 416 683) |
| Proceeds from sale of investment property, vehicles and equipment | | 5 313 704 | 3 451 032 |
| Dividend received | | - | 59 543 |
| **Net cash utilised in investing activities** | | (92 402 737) | (2 906 108) |
| Proceeds from borrowings | 16 | 10 997 548 | 33 109 557 |
| Principal payment of lease liabilities | | (2 251 569) | (164 954) |
| Repayments of borrowings | 16 | (15 632 620) | (3 285 348) |
| **Net cash (utilised in)/ generated from from operating activities** | | (6 886 641) | 29 659 255 |
| **Increase in cash and cash equivalents** | | 452 780 | 6 668 361 |
| Cash and cash equivalents at beginning of year | | 988 927 | 408 659 |
| Effects of currency translation on cash and cash equivalents | | (803 560) | (7 911 260 |
| Effects of IAS 29 on cash and cash equivalents | | 8 481 320 | 1 823 16 |
| **Cash and cash equivalents at end of year** | 13 | 9 119 467 | 988 927 |

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023

**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 70years in 2016. The Company is in corporated in Zimbabwe. Other entities in the Group are incorporated in Botswana.The company is listed on the Zimbabwe Stock Exchange

**2. Summary of significant accounting policies**

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

**2.1 Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the international Accounting Standards Board (IASB) with the exception to IAS 21 Effects of Changes in Exchange Rates on accounting for change in functional currency, IAS 29 Financial reporting in hyperinflationary economies. 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(a) Inflation adjustment**

The Public Accountants and Auditors Board (PAAB) in their circular 01/19 communicated that the factors and characteristics to apply IAS29, Financial Reporting in Hyper-Inflationary Economies had been met in Zimbabwe.The pronouncement require that entities reporting inZimbabweapplytherequirements of IAS 29 with effect from 1 July 2019.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**
**2.1 Basis of preparation**
**2.1.1(a) Inflation adjustment (continued)**

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 Total Consumption Poverty Line (TCTL) as published by the Zimbabwe National Statistics Agency (ZIMSTATS). The following factors were applied:

| Period / Month | Factor |
|---|---|
| December 2021 | 16.5189 |
| December 2022 | 4.8054 |
| December 2023 | 1.0000 |

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

- Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the monetary unit current at the reporting date. Monetary items are money held and items to be recovered or paid in money.
- Non-monetary assets and liabilities that are not carried at amounts current at the reporting date and components of shareholders' equity are restated by applying the relevant monthly conversion factors.
- Comparative financial information was converted using an adjusting factor of 4.8054 based on the Total Consumption Poverty Line (TCTL) 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 IFRSs, when it exceeds its recoverable amount. Accordingly, The Group assesses that the restated values of inventory are not above what it expects to realise from the sale of the inventory in the ordinary course of business. The restated carrying of vehicles and equipment is tested for impairment in accordance with the requirements of IAS 36, Impairment of assets.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**
**2.1 Basis of preparation (continued)**
**2.1.1(b) Assessment of functional currency**

Following the promulgation of Statutory Instrument (SI) 218 of 2023, issued on the 27th of October 2023 the Group has witnessed a gradual increase in the use of foreign currency (USD) against the local currency (ZWL) however our major trading currency still remains the Zimbabwean Dollar (ZWL).

The international Accounting Standard Permits entities to change their functional currencies based on the underlying transactions events and conditional that are relevant to them Management will continue to review and assess the appropriateness of the functional currency for the Group's operations.

**(c) Going concern.**

The Directors assess the ability of the Group to continue operating as a going concern at the end of each financial year. As at 31 December 2023, the Directors have assessed the Group will continue operating as a going concern in the near foreseeable future and believe that the preparation of these financial statements on a going concern basis is therefore still appropriate.

**2.1.2 Changes in accounting policies and disclosures.**
**2.1.2 (a) New and amended standards adopted by the Group**
**Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In specific circumstances, entities are exempt from Recognising deferred tax when they recognise assets or liabilities for the first time. There had been some diversity in practice as to whether the exemption applied to transactions such as leases and decommissioning obligations. These are transactions where entities recognise both an asset and a liability. The amendments require an entity to recognise deferred tax on certain transactions (e.g. leases and decommissioning liabilities) that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. The amendments clarify that the initial recognition exemption set out in IAS 12 -Income Taxes does not apply and entities are required to recognise deferred tax on these transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**
**2.1.2 (a) New and amended standards adopted by the Group**
**Deferred Tax related to Assets and Liabilities arising from a Single Transaction**
In specific circumstances, entities are exempt from Recognising deferred tax when they recognise assets or liabilities for the first time. There had been some diversity in practice as to whether the exemption applied to transactions such as leases and decommissioning obligations. These are transactions where entities recognise both an asset and a liability. The amendments require an entity to recognise deferred tax on certain transactions (e.g. leases and decommissioning liabilities) that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. The amendments clarify that the initial recognition exemption set out in IAS 12 -Income Taxes does not apply and entities are required to recognise deferred tax on these transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

**Effective date**
1-Jan-23

**Definition of Accounting Estimates (Amendments to IAS 8)**
The amendments clarify the guidance in IAS 8 by:
Aligning the definition of “material” across the standards and to clarify certain aspects of the definition.

The new definition states that, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”.

The amendments to the definition of material is not expected to have a significant impact on Unifreight Africa Limited’s financial statements.

**Effective date**
1-Jan-23

**Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)**
The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments were issued as a result of feedback received indicating that reporting entities needed more guidance when determining what accounting policy information should be disclosed. These amendments impact what accounting policies are disclosed which could affect investors decisions.

**Effective date**
1-Jan-23

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**2.1.2 (a) New and amended standards adopted by the Group (continued)**

**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.

**Classification of Liabilities as Current or Non-current (Amendments to IAS 1)**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

For a levy that would be within the scope of International Financial Reporting Interpretations Committee ("IFRIC") 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

**Effective date**

1-Jan-23

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments require additional disclosures that complement the existing disclosures in these two standards. They require entities to disclose :

- the terms and conditions of the arrangement
- the terms and conditions of the arrangement
- the amount of the liabilities that are part of the arrangements,
- breaking out the amounts for which
- the suppliers have already received payment from the finance providers, and stating where the liabilities are included on the statement of financial position
- ranges of payment due dates
- liquidity risk information.

**Effective date**

1-Jan-24

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**
**2.2 Consolidation, Business Combinations and Goodwill**
**a) Basis of consolidation**

The consolidated financial statements comprise the financial statements of Unifreight Africa Limited and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

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

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.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

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

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

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

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

**(b) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquire. For each business combination, the acquirer measures the non-controlling interest in the acquire either at fair value or at the proportionate share of the acquires 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 acquire. If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquire 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.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# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

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

**(b) Business combinations and goodwill (continued)**

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 ofthe 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 acquire are assigned to those units.

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

**2.3 Segment reporting**

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

**2.4 Foreign currency translation**

**(a) Transactions and balances**

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

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

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**2.4 Foreign currency translation (continued)**

**(b) Group companies**

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

(i) assets and liabilities are translated at the closing rate at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**2.5 Vehicles and equipment**

Effective the 1 January 2023 Vehicles and equipment were being recognised using the revaluation model as per IAS 16 Property, plant and equipment. Restatements were done in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. So now, Property, plant and equipment is being stated at revalued amount, net of accumulated depreciation and accumulated impairment losses, if any. 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 - 20 years |
| Equipment, furniture and fittings | 3 - 10 years |

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

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

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

## 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 remeasured on an annual basis at fair value and the gains and losses are recognised as other income in the statement of profit or loss.

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.

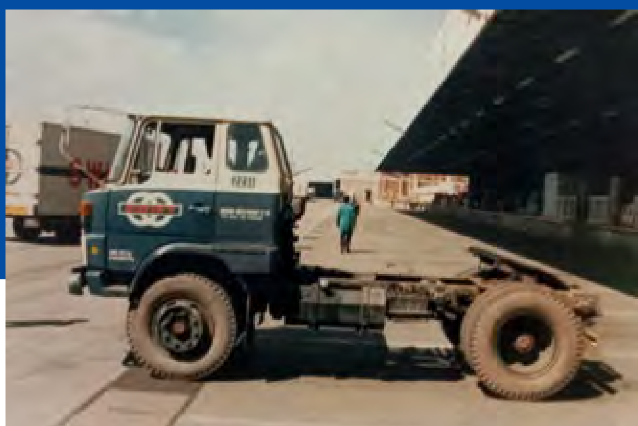
Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

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

**2.7.1 Financial assets**

**Initial recognition and measurement**

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

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

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

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

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

**Subsequent measurement**

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



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# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**2.7.1 Financial assets (continued)**

**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' arrangemen; 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.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**Impairment of financial assets (continued)**

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

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

**2.7.2 Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, loans and borrowings.

**Subsequent measurement**

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**2.7.2 Financial liabilities (continued)**

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

**2.7.3 Offsetting of financial instruments**

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

**2.8 Inventories**

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

**2.9 Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise consist 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.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

### 2 Summary of significant accounting policies (continued)

### 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:

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**Deferred tax (continued)**

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**2.11 Current and deferred tax (continued)**

**Value Added Tax**

Revenue, expenses and assets are recognised net of the amount of value added tax, except:
a) where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authorityt,in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
b) Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivable or payables in the statement of financial position.

**2.12 Employee benefits**

**(a) Pension obligations**

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

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

**b) Termination benefits.**

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

**2.13 Provisions**

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

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

### 2 Summary of significant accounting policies (continued)

### 2.13 Provisions (continued)

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

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

### 2.14 Leases

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

**Group as a lessee**

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

**i) Right-of-use assets**

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

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

**2.19 Impairment of non-financial assets.**

**ii) Lease liabilities**

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**ii) Lease liabilities (continued)**

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

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

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

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**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, maximizing the use of relevant observable inputs and minimizing 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.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**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.

**2.18 Intangible Assets**

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

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

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**2.18 Intangible Assets (continued)**

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

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

**2.19 Impairment of non-financial assets**

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

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.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

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

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

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

**2.20 Discontinued operations and assets and liabilities held for sale**

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

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

Property, vehicles and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in thestatement 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.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**2 Summary of significant accounting policies (continued)**

**2.21 Revenue from contracts with customers**

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

**Transport and logistics services**

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

**3 Financial risk management**

**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk(including currency risk, interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group therefore adopts a non-speculative approach in managing risk whilst maximising profits.
Risk management is carried out by the Board's finance and risk Committee under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

**(a) Market risk**

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

The sensitivity analyses in the following sections relate to the position as at 31 December in 2023 and 2022.

*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 2023 and 2022.*


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# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**3 Financial risk management (continued)**

**(i) Foreign exchange risk**

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

As at 31 December 2023, the Group had cash and cash equivalents of USD194 040.65, 463.50 Rands, 720 Pula and GBP230 (2022: USD78 780.39 and 44 385.50 Rands). The Group also has trade payables of USD 1 200 436.17 and 1 923 498.98 Rands (2022: USD497 653.98 and 532 785.45 Rands). The following table demonstrates the sensitivity to a reasonable possible change in the USD and Rand exchange rate.

| | Change in rates | Effect on profit/ (Loss) before tax |
|---|---|---|
| **2023** | **+10%** | 5 560 003 |
| | **-10%** | (5 560 003) |
| **2022** | **+10%** | 34 927 823 |
| | **-10%** | (34 927 823) |

**(ii) Interest rate risk**

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. There is no impact on equity.
The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

### 3 Financial risk management (continued)

#### (i) Foreign exchange risk

| | Change in rates | Effect on profit/ (Loss) before tax |
|---|---|---|
| **2023** | **1%** | 60 514 |
| | **-1%** | (60 514) |
| **2022** | **1%** | 542 763 |
| | **-1%** | (542 763) |

#### 3(b) Credit risk

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

**Trade receivables and contract assets**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any freight services to major customers are generally covered by service level agreements. At 31 December 2023, the Group had 12 customers (2022: ZWL 100million) that owed it more than ZWL 500million each and accounted for approximately 37% (2022: 28%) of all the receivables and contract assets outstanding. There were 27 customers (2022: 0 customers) with balances greater than ZWL 200million accounting for just over 27% (2022: 0%) of the total amounts of receivable and contract assets.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

### 3 Financial risk management (continued)

**Trade receivables and contract assets (continued)**

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.

| 31 December 2023 | Current ZWL 000 | 30 Days ZWL 000 | 60 Days ZWL 000 | 90 Days ZWL 000 | Total ZWL 000 |
|---|---|---|---|---|---|
| Expected credit loss rate | 21% | 7% | 6% | 6% | |
| Estimated total gross carrying amount at default | 9 520 199 | 11 432 932 | 5 125 787 | 2 271 258 | 28 350 176 |
| **Expected credit loss** | **1 957 353** | **844 132** | **281 918** | **124 918** | **3 208 321** |

| 31 December 2022 | Current ZWL 000 | 30 Days ZWL 000 | 60 Days ZWL 000 | 90Days ZWL 000 | Total ZWL 000 |
|---|---|---|---|---|---|
| Expected credit loss rate | 7% | 8% | 8% | 100% | |
| Estimated total gross carrying amount at default | 4 408 616 | (138 030) | 5 683 893 | 575 111 | 10 529 589 |
| **Expected credit loss** | **314 216** | **(10 519)** | **443 507** | **575 813** | **1 323 018** |

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**3 Financial risk management (continued)**

**3(c) Liquidity risk**

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

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

| | Up to 1 month<br>ZWL 000 | 2 to 6 months<br>ZWL 000 | 6 months to 1 year<br>ZWL 000 | 1 to 5 years<br>ZWL 000 | Total<br>ZWL 000 |
|---|---|---|---|---|---|
| **At 31 December 2023** | | | | | |
| **Liabilities** | | | | | |
| Trade and other payables | 14 018 870 | 8 539 212 | 1 707 842 | - | **24 265 924** |
| Lease liabilities | 67 381 | 351 256 | 454 789 | 15 102 533 | **15 975 959** |
| Borrowings | 545 981 | 23 643 113 | 283 717 | 882 027 | **25 354 838** |
| **Total liabilities** | 14 632 232 | 32 533 581 | 2 446 348 | 15 984 560 | **65 596 721** |
| **At 31 December 2022** | | | | | |
| **Liabilities** | | | | | |
| Trade and other payables | 4 270 764 | 3 558 970 | 711 794 | - | **8 541 528** |
| Lease liabilities | 1 087 568 | - | 68 515 | 36 824 | **1 192 907** |
| Borrowings | 20 670 238 | 8 284 705 | 17 890 | 106 630 | **29 079 463** |
| **Total liabilities** | **26 028 570** | **11 843 675** | **798 199** | **143 454** | **38 813 898** |

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**3 Financial risk management (continued)**

**3.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is total group borrowings less cash and cash equivalents. Total capital is the sum of Share capital and all reserves of the Group. The gearing ratio at 31 December 2023 was 53% (2022 - 35%).

| | 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 |
|---|---|---|---|---|---|
| **At 31 December2023** | | | | | |
| **Liabilities** | | | | | |
| Trade and other payables | 14 018 870 | 8 539 212 | 1 707 842 | - | **24 265 924** |
| Lease liabilities | 67 381 | 351 256 | 454 789 | 15 102 533 | **15 975 959** |
| Borrowings | 545 981 | 23 643 113 | 283 717 | 882 027 | **25 354 838** |
| **Total liabilities** | 14 632 232 | 32 533 581 | 2 446 348 | 15 984 560 | **65 596 721** |
| **At 31 December 2022** | | | | | |
| **Liabilities** | | | | | |
| Trade and other payables | 4 270 764 | 3 558 970 | 711 794 | - | **8 541 528** |
| Lease liabilities | 1 087 568 | - | 68 515 | 36 824 | **1 192 907** |
| Borrowings | 20 670 238 | 8 284 705 | 17 890 | 106 630 | **29 079 463** |
| **Total liabilities** | **26 028 570** | **11 843 675** | **798 199** | **143 454** | **38 813 898** |

**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.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**4 Critical accounting estimates and judgements (continued)**

**(a)Provision for expected credit losses of trade receivables**

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the transport and logistics industry, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

**(b) Income taxes**

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

**(c) Useful lives and values of vehicles and equipment**

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

**(d) Going concern**

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

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

**4 Critical accounting estimates and judgements (continued)**

**(d) Going concern (continued)**

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.

**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 2023, 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.

**(e) Impairment of intangible and non-financial assets**

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

**(f) Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods 'covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered 'by an option to terminate the lease, if it is reasonably certain not to be exercised.

# STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 December 2023 (continued)

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 customization to the leased asset).

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

**(g) Property lease classification – Group as lessor**

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

**(h) Leases - Estimating the incremental borrowing rate**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

### 5a Revenue from contracts with customers
### 5a.1 Disaggregated revenue information

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

| 2023 | Transport and courier ZWL 000 | Dedicated and specialised ZWL 000 | International distribution logistics ZWL 000 | Total ZWL 000 |
|---|---|---|---|---|
| Type of service | | | | |
| Transport and logistics | 187 015 665 | 13 846 400 | 596 770 | 201 458 835 |
| Geographical markets | | | | |
| Zimbabwe | 186 113 356 | 13 846 400 | 596 770 | 200 556 526 |
| Mozambique | 280 173 | - | - | 280 173 |
| Zambia | 442 613 | - | - | 442 613 |
| South Africa | 179 523 | - | - | 179 523 |
| Timing of revenue recognition | | | | |
| Services transferred at a point in time | 186 113 356 | 13 846 400 | 596 770 | 200 556 526 |

| 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 | 63 819 412 | 5 332 875 | 459 792 | 69 612 079 |
| Geographical markets | | | | |
| Zimbabwe | 63 819 412 | 5 332 875 | 459 792 | 69 612 079 |
| Timing of revenue recognition | | | | |
| Services transferred at a point in time | 63 819 412 | 5 332 875 | 459 792 | 69 612 079 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 5.a Revenue from contracts with customers
### 5a.2 Contract balances

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Trade receivables | 28 350 176 | 10 529 589 |

Trade receivables are non-interest bearing and are generally on terms of 14 to 30 days. In 2023, ZWL 3 287 502 539.44 (2022: ZWL 1 227 157 973) was recognised as provision for expected credit losses on trade receivables.

### 5a.3 Performance obligations
**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.

### 5b 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 2023 are as follows:**

| | Transport and logistics solution<br>ZWL 000 | Investment property<br>ZWL 000 | Consolidated<br>ZWL 000 |
|---|---|---|---|
| Total revenue continuing operations | 201 458 835 | - | 201 458 835 |
| Operating costs | (109 836 703) | (51 018 310) | (160 855 013) |
| Dividend received | - | - | - |
| Other operating income | 16 721 649 | 64 720 119 | 81 441 768 |
| Movement in expected credit losses | (2 060 345) | - | (2 060 345) |
| EBITD | 106 283 436 | 13 701 809 | 119 985 245 |
| Net finance costs | (6 449 954) | - | (6 449 954) |
| Depreciation | (12 014 168) | - | (12 014 168) |
| Monetary gain | 78 206 525 | - | 78 206 525 |
| Net profit before income tax | 166 025 839 | 13 701 809 | 179 727 648 |
| Income tax credit/(charge) | (38 585 110) | - | (38 585 110) |
| Profit for the year | 127 440 729 | 13 701 809 | 141 142 538 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

### 5b Segment information (continued)

| | Transport and logistics ZWL 000 | Investment property ZWL 000 | Consolidated ZWL 000 |
|---|---|---|---|
| Statement of financial position as at 31 December 2023 | | | |
| Assets | | | |
| Non-current assets | 261 106 206 | 34 384 001 | 295 490 207 |
| Current assets | 41 144 144 | 21 187 740 | 62 331 884 |
| Total assets | **302 250 350** | **55 571 741** | **357 822 091** |
| Liabilities | | | |
| Non-current liabilities | 76 817 981 | 167 862 | 76 985 843 |
| Current liabilities | 40 191 420 | 1 691 820 | 41 883 240 |
| Total liabilities | **117 009 401** | **1 859 682** | **118 869 083** |

The segment results for the year ended 31 December 2022 are as follows:

| | Transport and logistics ZWL 000 | Investment property ZWL 000 | Total ZWL 000 |
|---|---|---|---|
| Total revenue continuing operations | 69 612 079 | - | 69 612 079 |
| Operating costs | (67 538 931) | (294 074) | (67 833 005) |
| Other operating income | 3 633 542 | 5 252 814 | 8 886 356 |
| Dividend received | 59 543 | - | 59 543 |
| Movement in expected credit losses | (170 192) | - | (170 192) |
| EBITD | 5 596 041 | 4 958 740 | 10 554 781 |
| Net finance costs | (2 984 767) | - | (2 984 767) |
| Depreciation | (4 918 911) | - | (4 918 911) |
| Monetary gain | 3 515 752 | 2 384 088 | 5 899 840 |
| Net profit before income tax | **1 570 845** | **7 342 828** | **8 550 943** |
| Income tax credit | 1 311 190 | (25 310) | 1 285 880 |
| Profit for the year | **2 882 035** | **7 317 518** | **9 836 823** |
| Statement of financial position at 31 December 2022 | | | |
| Assets | | | |
| Non-current assets | 33 753 640 | 19 572 289 | 53 325 929 |
| Current assets | 43 748 051 | 807 868 | 44 555 919 |
| Total assets | **77 501 691** | **20 380 157** | **97 881 848** |
| Liabilities | | | |
| Non-current liabilities | 25 531 731 | 16 824 | 25 548 555 |
| Current liabilities | 20 331 674 | 158 362 | 20 490 036 |
| Total liabilities | **45 863 405** | **175 186** | **46 038 591** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 6 Vehicles and equipment

| | Motor<br>ZWL 000 | Equipment, furniture and fittings<br>ZWL 000 | Total<br>ZWL 000 |
|---|---|---|---|
| At 1 January 2022 | | | |
| Cost | 35 369 097 | 3 859 124 | 39 228 221 |
| Accumulated depreciation | (15 725 362) | (2 200 640) | (17 926 002) |
| **Net carrying amount** | **19 643 735** | **1 658 484** | **21 302 219** |
| **Year ended 31 December 2022** | | | |
| Opening net book amount | 19 643 736 | 1 658 484 | 21 302 220 |
| Additions | 6 187 856 | 228 827 | 6 416 683 |
| Disposals | (5 449 756) | - | (5 449 756) |
| Cost | 8 014 038 | - | 8 014 038 |
| Accumulated depreciation | (2 564 282) | - | (2 564 282) |
| Depreciation charge | (3 707 226) | (297 842) | (4 005 068) |
| **Closing net carrying amount** | **16 674 610** | **1 589 469** | **18 264 079** |
| At 1 January 2023 | | | |
| Cost | 33 542 916 | 4 087 951 | 37 630 867 |
| Accumulated depreciation | (16 868 306) | (2 498 482) | (19 366 788) |
| **Net carrying amount** | **16 674 610** | **1 589 469** | **18 264 079** |
| **Year ended 31 December 2023** | | | |
| Opening net book amount | 16 674 610 | 1 589 469 | 18 264 079 |
| Additions | 97 314 867 | 401 574 | 97 716 441 |
| Revaluation reserve | 48 344 737 | 5 824 937 | 54 169 674 |
| Disposals | (1 037 695) | - | (1 037 695) |
| Cost | (1 040 733) | - | (1 040 733) |
| Accumulated depreciation | 3 038 | - | 3 038 |
| Depreciation charge | (9 275 190) | (233 400) | (9 508 590) |
| **Closing net carrying amount** | **152 021 329** | **7 582 580** | **159 603 909** |
| At 31 December 2023 | | | |
| Cost | 152 021 329 | 7 582 580 | 159 603 909 |
| Accumulated depreciation | - | - | - |
| **Net carrying amount** | **152 021 329** | **7 582 580** | **159 603 909** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 7 Investment property

| | *Restated Total |
|---|---|
| At 1 January 2022 *Restated | |
| Cost | 12 610 903 |
| Accumulated Depreciation | - |
| **Closing net carrying amount** | **12 610 903** |
| Year ended 31 December 2022 | |
| Opening carrying amount | 12 610 903 |
| Fair value gain | 6 961 386 |
| Depreciation charge | - |
| **Closing carrying amount** | **19 572 289** |
| At 1 January 2023 | |
| Cost | 19 572 289 |
| Accumulated depreciation | - |
| **Closing carrying amount** | **19 572 289** |
| Year ended 31 December 2023 | |
| Opening carrying amount | 19 572 289 |
| Disposal | (5 313 704) |
| Fair value gains | 20 125 415 |
| Depreciation charge | - |
| **Closing carrying amount** | **34 384 000** |
| At 31 December 2023 | |
| Cost | 34 384 000 |
| Accumulated depreciation | - |
| **Closing carrying amount** | **34 384 000** |

| | 2023 ZWL 000 | 2022 ZWL 000 |
|---|---|---|
| Rental income derived from investment properties | 2 334 422 | 1 137 869 |
| Expenses generating rental income | (698 537) | (294 074) |
| Expenses that did not generate rental income | (319 778) | (102 398) |
| | **1 316 107** | **741 397** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 8 Intangible asset

| | December 2023 ZWL 000 | December 2022 ZWL 000 |
|---|---|---|
| Carrying amount at 1 January | 1 109 758 | 1 109 758 |
| Carrying amount at 31 December | 1 109 758 | 1 109 758 |

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 which it previously recognised as 'short-term lease' and 'lease of low-value assets' that it has reassessed to be long term leases in accordance to IFRS 16 Leases . Management has decided to process a prior year adjustments in accordance to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 9. Leases (continued)

| | Land and Buildings adjusted* ZWL 000 |
|---|---|
| Right of use asset | |
| As at 1 January 2022 | 6 427 712 |
| | |
| Adjusted Modification balance | 6 222 983 |
| Modification | 5 152 937 |
| Prior year error adjustment | 1 070 046 |
| | |
| Adjusted depreciation | (1 062 613) |
| Depreciation expense | (913 843) |
| Prior year error adjustment | (148 770) |
| | |
| As at 31 December 2022 | 11 588 082 |
| | |
| As at 1 January 2023 | 11 588 082 |
| Modification | 76 386 246 |
| Depreciation expense | (2 505 578) |
| As at 30 December 2023 | 85 468 750 |

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

| Lease liability | 2023 ZWL 000 |
|---|---|
| As at 1 January | 4 652 242 |
| Interest accrual | 254 744 |
| Prior period error adjustment | 106 970 |
| Modification | 12 825 825 |
| Payments | (1 863 822) |
| Total | 15 975 959 |
| | |
| Current | 10 126 528 |
| Non-current | 5 849 431 |
| As at 31 December | 15 975 959 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 9. Leases (continued)

| | 2022<br>ZWL 000 |
|---|---|
| As at 1 January | 2 660 097 |
| Adjusted Interest accrual | 443 505 |
| Interest accrual | 336 535 |
| Prior period error adjustment | 106 970 |
| Adjusted lease modification | 6 329 973 |
| Modification | 5 152 937 |
| Prior period error adjustment | 1 177 036 |
| Payments | (2 252 240) |
| Net monetary loss | (1 245 087) |
| Total | **5 936 248** |
| Current | 324 542 |
| Non-current | 5 611 706 |
| As at 31 December | **5 936 248** |

Weighted Average Borrowing rate of 15.9% was used to discount future lease payments.

The following are the amounts recognised in profit or loss:

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Depreciation expense of right-of-use assets | (2 505 578) | 913 843 |
| Interest expense on lease liabilities | 254 744 | 5 004 024 |
| Total amount recognised in profit or loss | (2 250 834) | 5 917 867 |

The Group had total cash out flows for leases of ZWL 4 253 440 314 in 2023 (ZWL 10 191 245 953 in 2022).

### Group as a lessor

The Group has entered into operating leases on it's 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 Future minimum rentals receivable undernon-cancellable operating leases as at 31 December are as follows:

| | | |
|---|---|---|
| **Within one year** | **3 253 540** | **1 101 964** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 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) | 31 373 777 | 10 928 046 |
| Cash and cash equivalents | 9 119 | 988 929 |
| **Total** | **31 382 896** | **11 916 975** |
| **Liabilities as per statement of financial position** | | |
| Loans and borrowings | 25 354 838 | 29 079 463 |
| Trade and other payables | 24 265 924 | 8 541 529 |
| **Total** | **49 620 762** | **37 620 992** |

### 10.1 Fair value measurement

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

| Fair value hierarchy | | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|---|
| **Assets at fair value** | | | |
| Investment property | Level 3 | **34 384 000** | **19 572 289** |
| Investment in equity instruments | | | |
| Zimplow Limited | Level 1 | **14 923 790** | **2 791 721** |

This investment was irrevocably designated at fair value through OCI as the 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:

| | | |
|---|---|---|
| **Balance as at 1 January** | 2 791 721 | 13 384 611 |
| Acquisition | - | - |
| Fair value movement | 12 132 069 | (10 592 890) |
| Fair value movement net of tax | 11 525 466 | (10 381 031) |
| Deferred tax liability/(asset) | 606 603 | (211 859) |
| **Balance as at 31 December** | **14 923 790** | **2 791 721** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 11 Inventories

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Spares, fuel and stationery | 20 944 502 | 3 349 901 |

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 2023 and 2022.

Inventories with a carrying amount of ZWL 12 398 757 316 (2022:ZWL 3 421 518 378) were recognised as an expense.

## 12 Trade and other receivables

| | | |
|---|---|---|
| **Current** | | |
| Trade receivables | 28 350 176 | 10 529 589 |
| Receivables due from related parties (note 28) | 562 504 | - |
| Less: Allowance for credit losses | (3 287 503) | (1 227 158) |
| Trade receivables - net | 25 625 177 | 9 302 431 |
| Prepayments | 16 992 | 29 289 045 |
| Staff debtors | - | 44 301 |
| Other debtors | 5 748 600 | 1 581 314 |
| | 31 390 769 | 40 217 091 |

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 receivables are denominated in Zimbabwean Dollars (ZWL) and United States Dollars (USD).

The maximum exposure tocredit riskat the reporting date is thecarrying amount of each class of receivable mentioned above.

The Group does not hold any collateral as security.

Movements on the provision for impairment of trade receivables are as follows:

| | | |
|---|---|---|
| At 1 January | 1 227 158 | 1 056 966 |
| Increase for the year | 2 060 345 | 170 192 |
| **At 31 December** | **3 287 503** | **1 227 158** |

The creationand 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 13 Cash and cash equivalents

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

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Cash and cash equivalents | 9 119 467 | 988 927 |

## 14 Share capital and reserves

### Share capital

| | Number of shares | Ordinary<br>ZWL 000 | Share<br>ZWL 000 | Non-distributable Reserve<br>ZWL 000 |
|---|---|---|---|---|
| At 31 December 2022 | 106 474 237 | 787 928 | 1 524 159 | 26 802 970 |
| At 31 December 2023 | 106 474 237 | 787 928 | 1 524 159 | 26 802 970 |

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

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| **Current** | | |
| Trade payables | 19 537 083 | 5 510 251 |
| Trade payables due to related parties | 231 591 | 911 382 |
| Other payables | 4 272 436 | 1 223 117 |
| Social security and other statutory liabilities | 224 814 | 896 779 |
| | 24 265 924 | 8 541 529 |

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 16 Borrowings

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| **Borrowings classified as equity** | | |
| Shareholders' loans at beginning of the year | - | 6 607 726 |
| **Other borrowings** | | |
| **Non-current** | | |
| Loans and borrowings | 14 791 436 | 17 695 445 |
| | | - |
| **Current** | | - |
| Loans and borrowings | 10 563 402 | 11 384 018 |
| Bank overdraft | - | - |
| | 25 354 838 | 29 079 463 |
| **Total borrowings** | 25 354 838 | 35 687 189 |

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

| | | |
|---|---|---|
| **Balance as at 1 January** | 35 687 189 | 7 332 179 |
| Net foreign exchange gain/(loss) | 120 537 399 | (1 469 199) |
| Effects of loan restructuring | (121 454 130) | - |
| Proceeds from borrowings | 10 997 548 | 33 109 557 |
| Payment of borrowings | (15 632 620) | (3 285 348) |
| **Balance as at 31 December** | 25 354 838 | 35 687 189 |

### Shareholders' loans

*The Shareholder loans were reclassified from Equity to current and non current liabilities in the current year.*

### 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.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

17 Deferred tax

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| The gross movement on the deferred tax is as follows : | | |
| At beginning of year | 2 241 405 | 3 992 041 |
| Movement in temporary differences current year | 35 829 128 | (1 538 777) |
| Movement through other comprehensive income | 13 997 346 | (211 859) |
| **At end of year** | 52 067 879 | 2 241 405 |
| **Deferred tax relates to the following:** | | |
| Vehicles and equipment | 34 939 206 | (761 319) |
| Investment properties | 740 586 | (25 310) |
| Right of use of asset | 18 263 301 | 1 047 903 |
| Lease liability | (2 481 817) | (288 371) |
| Inventories | - | 233 786 |
| Prepayments | - | 2 593 787 |
| Unrealised exchange losses | - | (347 212) |
| Investment in equity instruments at FVOCI | 606 603 | (211 859) |
| | 52 067 879 | 2 241 405 |

**18 Retirement benefits**

**18.1Defined 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 19 Other operating income

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Scrap metal disposal proceeds | - | 42 191 |
| Food Hampers | - | 19 428 |
| Fuel sales | - | 722 128 |
| Profit on disposal of vehicles and equipment | 2 756 393 | - |
| Other income | 1 691 283 | - |
| Investment property income | 2 334 422 | 1 137 869 |
| Other income | - | 3 354 |
| Fair value gain on Investment property | 20 125 415 | 6 961 386 |
| Foreign exchange gains | 54 534 255 | - |
| | 81 441 768 | 8 886 356 |

## 20 Operating expenses

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Employee benefit expenses (note 21) | 58 326 502 | 22 277 470 |
| Vehicle operating expenses | 14 906 922 | 1 157 562 |
| Inventory recognised as an expense | - | 3 421 518 |
| Fuel used | 53 385 093 | 13 711 833 |
| Operating lease payments | - | 5 022 269 |
| Short term/ low value lease expense | - | 4 667 489 |
| Depot/site operating expenses | 24 776 963 | 1 011 128 |
| IT and communication expenses | 1 097 589 | 8 404 744 |
| Forwarding and agent expenses | 825 591 | 1 169 989 |
| Freight movement expenses | 528 688 | 612 748 |
| Advertising and marketing expenses | 1 139 804 | - |
| Printing and stationary | 5 841 | 1 124 294 |
| Audit fees | 714 882 | 453 796 |
| Loss on disposal of vehicles and equipment | - | 1 998 723 |
| Foreign exchange losses | - | 1 344 928 |
| Bank charges | 3 468 640 | 1 262 828 |
| Legal fees | 1 678 498 | 191 686 |
| | 160 855 013 | 67 833 005 |

## 21 Employee benefits expense

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Wages and salaries (including all directors' fees and emoluments) | 56 391 805 | 21 538 524 |
| Pension contributions - defined contribution plan | 742 111 | 283 445 |
| Social security contributions | 1 192 586 | 455 501 |
| | 58 326 502 | 22 277 470 |
| Average number of people employed | 803 | 812 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Interest expense | | |
| - bank borrowings | 4 046 074 | 2 648 232 |
| - lease liabilities | 2 403 880 | 336 535 |
| | 6 449 954 | 2 984 767 |

## 23 Income tax

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Major components of income tax are: | | |
| Normal income tax: | | |
| - Current income tax | 2 755 982 | 252 897 |
| Deferred tax: | | |
| - Movement in temporary differences (note 17) | 35 829 128 | (1 538 777) |
| | 38 585 110 | (1 285 880) |

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 :

| | | |
|---|---|---|
| Profit before tax from continuing operations | 179 727 648 | 1 849 896 |
| Tax calculated at 24.72% | 44 428 675 | 457 294 |
| Other non-taxable income | (1 235 337) | ( 196 521) |
| Loss on net monetary position | (19 332 653) | (1 548 109) |
| - Other non-deductible expenses | 14 724 425 | 1 456 |
| Tax expense/(credit) | 38 585 110 | (1 285 880) |

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 24 Earnings per share

| | 2023 ZWL 000 | 2022 ZWL 000 |
|---|---|---|
| **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: | | |
| Earnings attributable to ordinary equity holders of the parent: | | |
| Continuing operations | 141 142 538 | 3 135 776 |
| **Earnings attributable to ordinary equity holders of the parent for basic earnings** | 141 142 538 | 3 135 776 |
| 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 2023: 0 cents per share (2022: 0 cents per share) | - | - |

## 27 Commitments and contingent liabilities

There are no capital commitments approved for 2023 and 2022

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 17895 762 256.The cases have been assessed and the probability of an outflow is minimal.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

## 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.

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| **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 | 3 685 681 | 1 102 689 |
| - Tyres from Tredcor | 1 744 992 | 575 861 |
| - Rental charges by Unifreight Limited | 2 306 075 | 1 287 269 |
| | 7 736 748 | 2 965 819 |
| 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 | | |
| Payables to related parties | | |
| - Scanlink (Private) Limited | 524 711 | 298 949 |
| - Trentyre | 99 170 | 287 313 |
| - Unifreight Limited | 524 711 | 325 120 |
| | 1 148 592 | 911 382 |
| (iii) Year end balance arising from sales of goods and services | | |
| Receivables due from related parties | | |
| - Scanlink (Private) Limited | - | 80 673 |
| - Unifreight (Private) Limited | - | 51 245 |
| - Trentyre | - | 29 |
| | - | 131 947 |

(v) Directors' shareholdings

All other Directors have no shareholdings either directly or indirectly.

(vi) Key management compensation

| | | |
|---|---|---|
| Salaries and other short term employee benefits | 496 463 | 189 621 |
| | 496 463 | 189 621 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

### 29 Investments in subsidiaries

| Operating Companies | Business |
|---|---|
| Pioneer Clan (Botswana) (Proprietary) Limited (100%) (2022 - 100%) | Cross border freight haulage and logistics |
| Clan Transport Company (Private) Limited (100%) (2022 - 100%) | Road freight within Zimbabwe |
| Trek Transport (Private) Limited t/a Skynet Worldwide Express (100%) (2022 - 100%) | Courier services |
| Clan Properties (Private) Limited (100%) (2022 - 100%) | Property-owning |
| Kirkman & Kukard (Private) Limited (100%) (2022 - 100%) | Property-owning |
| Clan Services (Private) Limited (100%) (2022 - 100%) | Investment owning |
| Pioneer Clan Holdings (Botswana) (Proprietary) Limited (100%) (2022 - 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$325 006 334.28 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 4 633.44 cents per share which translated to ZWL 1 135 402 637 being the fair value of the consideration.

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Consideration received | - | 1 135 404 |
| Profit on disposal | - | 1 135 404 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

**30 Assets held for sale (continued)**

**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$57 984 401.88 payable in the form of 15 774 446 newly issued Zimplow ordinary shares. The disposal is effective 30 June 2021. The fair value of the Zimplow shares as at 30 June 2021 is 6 171 cents per share which translate to ZW$ 973 411 524 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:

| | 2023<br>ZWL 000 | 2022<br>ZWL 000 |
|---|---|---|
| Assets | - | (342 371) |
| Liabilities | - | 10 380 |
| **Net Assets** | - | (352 751) |
| Consideration received | - | 973 412 |
| **Profit on disposal of subsidiary** | | |
| | - | 1 326 163 |
| **Net cash outflow** | | |

**31 Prior period adjustments and correction of prior period errors**

The financial statement provide comparative information in respect of the previous period, these have been presented as restated as due to the retrospective correction of a change in policy of investment properties and change in the recognition of one of the lease from an operating lease to a finance lease.

**Change in policy of Investment properties from cost model to revaluation model**

In the 2021 and 2022 year end we derecognised the depreciation charge from investment properties and recognised the fair value gains and losses in the profit and losses. The value of the investment properties was also increased to reflect the fair value gain recognised.

**Change in the recognition of lease from an operating lease to a finance lease**

In the 2022 year end report, we recognised the right of use asset and lease liabilities in the statement of financial position.

Below is a summary of the impacts on the company’s financial statements:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (continued)

| | | As previously reported ZWL 000 | Prior year adjustments ZWL 000 | Adjustments ZWL 000 | As restated ZWL 000 |
|---|---|---|---|---|---|
| | **As at 31 December 2021** | | | | |
| | Investment property | 12 103 541 | - | 507 362 | 12 610 903 |
| | Right of use Asset | 6 427 712 | - | - | 6 427 712 |
| | Non current Lease liability | 2 544 249 | - | - | 2 544 249 |
| | Current Lease liability | 115 848 | - | - | 115 848 |
| * | Retained earnings | 10 144 674 | - | 507 362 | 10 652 034 |
| | **As at 31 December 2022** | | | | |
| | Investment property | 12 001 148 | 507 362 | 7 063 779 | 19 572 289 |
| | Right of use Asset | 10 666 806 | - | 921 276 | 11 588 082 |
| | Non current Lease liability | 4 397 898 | - | 1 213 808 | 5 611 706 |
| | Current Lease liability | 254 344 | - | 70 198 | 324 542 |
| * | Retained earnings | 10 144 674 | 507 360 | 7 063 779 | 17 715 813 |

* The retained earnings are also affected by the profit for the year

### 32. Subsequent events

Subsequent to the 31st of December 2023, on the 5th of April 2024, through the Monetary Policy statement , the Reserve Bank of Zimbabwe (RBZ) (Central Bank ) introduced a structured currency called Zimbabwe Gold (ZiG) which is a currency anchored by a composite basket of foreign currency and precious metals (mainly Gold) held as reserves by the reserve bank of Zimbabwe.

Directors have assessed the implications of the introduction of the new currency in the line with the requirement so IAS 10 Events After the Reporting Period, and have concluded that the introduction of the structured currency is a non- adjusting event on the consolidated inflation adjusted financial statements for the year ended 31 December 2023. The group complied with the requirements of the Monetary Policy statement with the effect from 5 April 2024.

# 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 54th 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 or through ***https://polling.fts-net.com/Identity/Account/Login*** on 2 August 2024 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 2023 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. Peter John Annesley and Hannah Jayne Crabbe retire by rotation and, both being eligible, offer themselves for re-election. The re-election will be done under separate resolutions.

**4. Directors’ Fees**
To approve Directors fees for the year ended 31 December 2023.

**5. Auditors**
5.1 To approve the remuneration of the Auditors, Grant Thornton Chartered Accountants for the year ended 31 December 2023.

5.2 To reappoint Grant Thornton as Auditors for the ensuing year, being their third year as Auditors of the Company.

**6. Dividend**
To note that the Board of Directors declared a final dividend for the year ended 31 December 2023, payable to all ordinary shareholders, in a blend of United States Dollars (USD) and Zimbabwe Gold (ZiG), in the amounts of US$200,000.00 (US$0.001878 per share) and ZiG1,344,000.00 (ZiG0.012623 per share).

**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 available on request from the Company’s Transfer Secretaries or the registered office of the Company, 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<br>No 1 Armagh Avenue, Eastlea<br>Harare | Unifreight Africa Limited<br>Corner Orme & Willow Roads<br>New Ardbennie, Harare |

By Order of the Board

**M. T. J. Mnemo**
Company Secretary
8 July 2024

(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 2 August 2024 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.

SWIFT

UNIFREIGHT
AFRICA LTD

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**Email:** info@swift.co.zw
**Website:** www.swift.co.zw

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