Pioneer

CORPORATION AFRICA

TOTAL TRANSPORT & LOGISTICS SOLUTIONS

Annual Report

2012

Contents

NOTICE OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF PIONEER CORPORATION AFRICA LIMITED

Incorporated in the Republic of Zimbabwe ("Pioneer" or "Company") Registration number: 304/1970

Notice is hereby given that the 43rd Annual General Meeting of Shareholders will be held in the Pioneer Corporation Africa Limited Boardroom, 14-16 Hermes Road, Southerton, Harare on 27 June 2013 at 10.00am to conduct the following business;

Ordinary business

1. To consider and adopt the Audited Financial Statements for the year ended 31 December 2012 together with the reports of the directors and auditors.

2. To ratify the appointment of Ernst & Young Chartered Accountants (Zimbabwe) as the auditors for the financial year ended 31 December 2012.

2.1 To approve the remuneration of the auditors for the past year and to consider the re-appointment of Ernst & Young Chartered Accountants (Zimbabwe) as the auditors for the ensuing year.

3. To elect Directors in terms of the Articles of Association, Messrs C Matigimu, B G Manyenyeni and A Ushe, retiring by rotation, and all being eligible offer themselves for re-election.

4. To approve Directors fees for the year ended 31 December 2012.

Any Other Business

5. To transact any such other business as may be transacted at an Annual General Meeting.

FORM OF PROXY

A form of proxy, in which are set out the relevant instructions for its completion, is attached hereto, for use by such shareholder of the Company who is unable to attend the AGM but who wishes to be represented thereat. Completion of a form of proxy will not preclude such shareholder of the Company from attending and voting (in preference to the appointed proxy) at the AGM.

The instrument appointing a proxy and the authority (if any) under which it is signed must be received by the Company's transfer secretaries or at the Company's registered offices (Attention the Company Secretary) at the addresses given below no later than 48 (forty-eight hours) before the time appointed for the holding of the AGM.

OFFICE OF THE ZIMBABWE TRANSFER SECRETARIES	**REGISTERED OFFICE OF THE COMPANY**
First Transfer Secretaries (Private) Limited No 1 Armagh Avenue, Eastlea Harare, Zimbabwe	Pioneer Corporation Africa Limited 14-16 Hermes Road, Southerton, Harare, Zimbabwe

Moreblessing Mukamba
Company Secretary

28 May 2013

Mission Statement

Vision

To become the most preferred one-stop shop and best known reliable brand in the transport, consolidations and logistics market in Zimbabwe and the rest of sub-Saharan Africa by 2020.

Mission

Pioneer Corporation Africa Limited is committed to offering sustainable, unmatched world class efficient transport (freight and passenger) services to its selected valuable customers at all times in all the countries of operation.

Through its dedicated, motivated and professional employees, Pioneer Corporation Africa Limited conducts business as a responsible citizen in all countries it operates in and strives to provide a profitable return to its shareholders.

Core Values

- Dedication
- Professionalism
- Innovation
- Integrity
- Courage
- Teamwork
- Proudly Zimbabwean

Corporate Information

COUNTRY OF INCORPORATION
The Company is incorporated in Zimbabwe, and it has subsidiaries incorporated in Zimbabwe, South Africa, Botswana and Mauritius.

BUSINESS
The Group's core business is transport and logistics. The operations are in passenger, freight and courier services.

MAIN BOARD

P. C. Chingoka	(Chairman)
A. Ushe *	(Chief Executive Officer)
H. B. W. Rudland	
S. G. W. Rudland (retired March 2013)	alt to H.B.W. Rudland
D. A. Hlatshwayo* (retired December 2012)	Group Finance Director
G. R. Smith* (appointed January 2013)	Group Finance Director

MAIN BOARD
C. Matigimu
B. G. Manyenyeni
W. Leith (passed away January 2013)
T. A. Taylor
R. Costa

* Executive

MAIN BOARD COMMITTEES

AUDIT AND FINANCE COMMITTEE

C. Matigimu	(Chairman)
B. G. Manyenyeni	(Alt. - P. C. Chingoka)
T. A. Taylor	
A. Ushe*	
D. A. Hlatshwayo*	
G. R. Smith*	

STRATEGY COMMITTEE

T. A. Taylor	(Chairman)
W. Leith	
P. C. Chingoka	
H.B.W Rudland / S.G.W Rudland	

HUMAN RESOURCES AND REMUNERATION COMMITTEE

P. C. Chingoka	(Chairman)
H.B.W. Rudland	
A. Ushe *	
B. G. Manyenyeni	

NOMINATIONS COMMITTEE

P. C. Chingoka	(Chairman)
H.B.W. Rudland	

PROPERTY COMMITTEE

T. A. Taylor	(Chairman)
H.B.W. Rudland	
P. C. Chingoka	
W. Leith	

RISK COMMITTEE

W. Leith	(Chairman)
R. Costa	
B. G. Manyenyeni	

ADMINISTRATION

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

REGISTERED OFFICES
14-16 Hermes Road, Southerton, Harare, Zimbabwe
Telephone: (+263) 4 621 000-14
Facsimile: (+263) 4 621 055
Email: solutions@pioneerafrica.co.zw
Website: www.pioneerafrica.com

PRINCIPAL BANKERS
MBCA Bank Limited
CBZ Bank Limited

LEGAL ADVISORS
Costa & Madzonga Legal Practitioners

COMPANY SECRETARY
Moreblessing Mukamba

AUDITORS
Ernst & Young Chartered Accountants (Zimbabwe)

Board Of Directors

Patrick Chakanetsa Chingoka - Chairman - Non Executive Director

Patrick Chingoka was born in Zimbabwe and holds a variety of qualifications in Human Resources Management and Industrial Relations. He is currently the Managing Director of Thomas International Management Systems (Private) Limited and High Post Consultants (Private) Limited. He is also Chairman of Navistar Insurance Brokers and other directorships include Iness Trading (Private) Limited. Patrick is currently the longest standing Director. Patrick is a citizen of and resides in Zimbabwe

Albert Ushe - Chief Executive Officer - Executive Director

Albert holds a Bachelor of Business Studies Degree (1986) and a Masters in Business Administration (1992) both from the University of Zimbabwe. He is also a holder of the Chartered Institute of Marketing (UK) Diploma (1989). Albert has extensive marketing and commercial experience having worked for reputable organizations including Unilever and Coca Cola Company. He was Managing Director of Pioneer Clan Freight including Skynet Worldwide Courier until he was appointed Group Chief Executive Officer on 1 February 2010.

Hamish Bryan Wilburn Rudland - Non Executive Director

Hamish Rudland was born in Zimbabwe and was educated at Falcon College in Esigodini. He attended Massey University in New Zealand between 1991 and 1994, reading for a Bachelor of Business Studies Degree in Information Systems, Management and Tourism. He returned to Zimbabwe in October 1994 and established Pioneer Corporation Africa in 1995. Hamish is a major shareholder and Chairman of Pioneer Clan Freight. His other directorships include Holdsworth Holdings (Private) Limited. He is a citizen of and resides in Zimbabwe.

Simon George Wilburn Rudland - Non Executive Director

Simon Rudland was born in Zimbabwe and was educated at Falcon College in Esigodini. In 1989, he was accepted into the Delta Training School to study an apprenticeship in diesel mechanics, which course he completed in December 1992. Simon started Spares International (Private) Limited in 1993 to supply vehicle spares to Government departments. In 1995 he joined Hamish Rudland in establishing Pioneer Corporation Africa. His other directorships include Holdsworth Holdings (Private) Limited. He is a citizen of and resides in Zimbabwe.

Moreblessing Tendai Mukamba - Company Secretary

Moreblessing holds a Bachelor of Laws Degree (LLB) from the University of South Africa (UNISA). She is also a duly registered Legal Practitioner and a member of the Law Society of Zimbabwe. Having worked for Mawere and Sibanda Legal Practitioners, Dube, Manikai and Hwacha Commercial Law Chambers and the Civil Division of the Attorney Generals' Office, Moreblessing amassed valuable experience in the various fields of law encompassing Corporate and Commercial law, Labour and Employment law, Private law, Law of Contract and contractual disputes, Property law and Criminal law. She is a citizen of and resides in Zimbabwe.

Gary Smith - Group Financial Director - Executive Director

Gary Smith was born in Zimbabwe and was educated at Prince Edward School where he was Head Boy in 1986. He then joined Coopers & Lybrand where he served his articles, completing his B.Compt (Hons) degree through UNISA in 1991. He qualified as a Chartered Accountant in 1992 finishing in the top 5 of his year. After a brief stint with tobacco company Transtobac, Gary established his own accountancy business which he ran successfully for 7 years. In 2001 he moved to the United Kingdom and held roles at Deutsche Bank, University of Surrey and Foxhills Club & Resort before moving back to Africa in 2008. Gary then spent four years managing a large transport and logistics group of companies in Beira, Mozambique gaining valuable experience in this sector. He was appointed Group Finance Director of Pioneer Corporation Africa Limited on 2 January 2013. He is a citizen of and resides in Zimbabwe.

Board Of Directors

Clever Matigimu - Non Executive Director

Clever Matigimu has 21 years business experience most of which was gained in the short term insurance industry at various levels and was previously Group Managing Director of SFG Holdings and is a co-founder of SFG Group. He is currently the CEO of the Beemarch Group of Companies, incorporating Beemarch Investments (Private) Limited, Beemarch Properties (Private) Limited and Beemarch GeoScientific Services (Private) Limited. Clever is a Fellow of the Chartered Institute of Secretaries, and has an MBA. He is a council member of the Institute of Chartered Secretaries.

Bernard Gabriel Manyenyeni - Non Executive Director

Bernard Manyenyeni holds a Masters degree in Strategic Management. He has over 20 years experience with leading players in the financial services sector and is currently the General Manager for Altfin Life Assurance Company. His experience has gathered him strengths in corporate governance and business relationship management. His other directorships are in a small number of other private businesses.

Thomas Alexander Taylor - Non Executive Director

Thomas served his articles at PriceWaterhouseCoopers Chartered Accountants (Zimbabwe) working in the Bulawayo, Harare and London offices. Thomas was admitted into PWC partnership in July 1972 and soon became Partner in charge of the Bulawayo and Botswana offices. In 1985, he transferred to the Harare office as senior Partner of PWC Central Africa and was responsible for the firm's activities in Zimbabwe, Botswana, Malawi and Mozambique. He retired in June 1995 having completed 10 years as Senior Partner. Thomas is now self employed and sits on a number of public and private company boards.

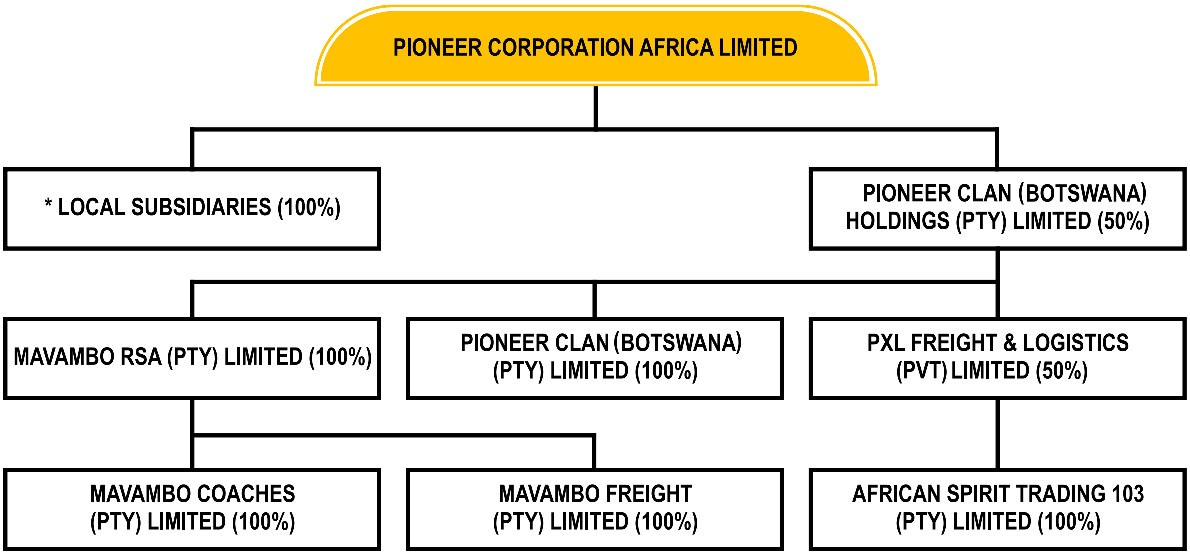
Raphael Costa - Non Executive Director

Raphael Costa is a duly registered Legal Practitioner who holds a B.L. (Hons) and a LLB. (UZ) degree. He is a Senior Partner at Costa & Madzonga since 1997. He has wide-ranging experience in legal practice covering both litigious and non-litigious legal work with experience in appearing in Courts, Arbitration Tribunals as well as other Tribunals. From 1985 to 1997 he was a member of and held partnerships in other legal firms with focus on general provision of legal counsel, criminal law, labour and employment law, commercial practice including trade law, contract and contractual disputes, banking and finance, debt management and landlord and tenant disputes, insurance law, including personal injuries litigation, public liability and professional indemnity, property law and conveyancing, mining law, trusts, estate planning and deceased estates. He is also a member of the Law Society of Zimbabwe and Zimbabwe Lawyers for Human Rights. His other directorships are in a small number of other private businesses. He is a citizen of and resides in Zimbabwe.

David Abel Hlatshwayo - Group Financial Director - Executive Director
Mr David Hlatshwayo served as the Group Financial Director (Executive) until his retirement in December 2012.

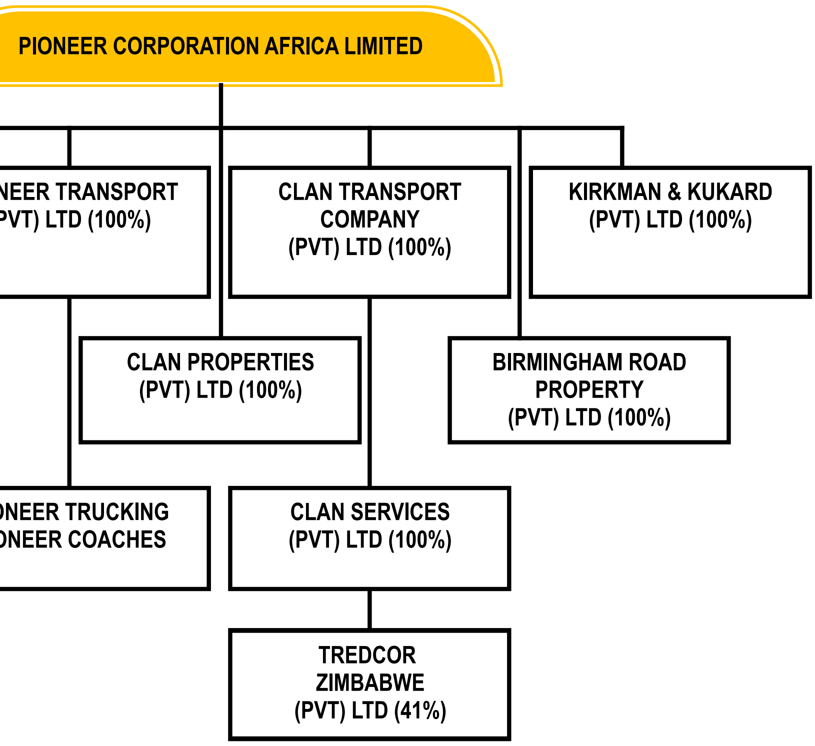
William Leith - Non Executive Director
Mr William Leith served as a non Executive Director during 2012 but sadly passed away in January 2013.

PIONEER CORPORATION AFRICA LIMITED



Dormant Companies
Mavambo RSA (Proprietary) Limited
Mavambo Freight (Proprietary) Limited

*PIONEER CORPORATION AFRICA LIMITED - Local Subsidiaries and Associates



Dormant Companies
Trek Express Services (Private) Limited
Birmingham Investments (Private) Limited
Clan Services (Private) Limited

Pioneer Transport (Private) Limited

Pioneer Transport operations are undertaken under two divisions, namely:

(i) Pioneer Trucking

Local contracts trucking services, cross border road freight haulage, specializing in the movement of high value commodities including precious metals.

(ii) Pioneer Coaches

Local city to city bus service and regional coach service destinations. Private coach hire service.

Mavambo Coaches (Pty) Limited

Cross border coach service South Africa / Zimbabwe.

Pioneer Clan (Botswana) (Pty) Limited

Cross border road freight haulage.

PXL Freight and Logistics (Private) Limited

Cross border road freight haulage and logistics.

African Spirit Trading 103 (Pty) Limited

Cross border road freight haulage and logistics.

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

National courier service

Clan Transport Company (Private) Limited

Clan Transport's operations include collection and delivery of road freight within Zimbabwe.

Associated Companies.

Tredcor Zimbabwe (Private) Limited trading as Trentyre

Tyre retreading and retail sales of new and second-hand tyres, batteries and accessories.

Corporate

Pioneer Corporation Africa Limited	Investment Holding Company
Clan Properties (Private) Limited	Property Owning
Kirkman & Kukard (Private) Limited	Property Owning
Birmingham Road Property (Private) Limited	Property Owning
Birmingham Investments (Private) Limited	Investment Company
Clan Services (Private) Limited	Investment Company

Patrick Chakanetsa Chingoka
Chairman

OVERVIEW

The Group's operations have been significantly affected by the challenging environment and limited liquidity which has prevailed in Zimbabwe for the past few years, with the current year being no exception. The Group maintained the same revenue level of USD 26,686 million compared to USD 26,417 million last year. Operating profit of USD 37,000 was recorded compared to USD 236,000 in 2011.

FINANCIAL PERFORMANCE

The Group recorded a net loss before tax of USD 208,000 compared to a loss of USD 46,000 in 2011. Stagnant revenues and high cost structures resulted in a loss making position. Net finance costs of USD 245,000 mainly due to re-capitalization also contributed to the loss position. This negative performance is set to change in 2013 after implementation of appropriate strategies to turn around the business.

Foreign subsidiaries reporting currencies are principally in South African Rand and Botswana Pula which were converted to United States Dollars at appropriate cross rates for reporting purposes.

FOREIGN SUBSIDIARIES

Foreign subsidiaries continue to be the flagship of the Group, accounting for 70% of the Group revenue and an operating profit of USD 727,000 in 2012. PXL Freight and Logistics South Africa, Pioneer Clan (Botswana) and Mavambo Coaches South Africa comprise the foreign subsidiaries. Strategic contracts with blue chip companies in South Africa to move freight into Zimbabwe and the region contributed to consistent revenue performance in 2012.

LOCAL SUBSIDIARIES

Although local subsidiaries' revenue improved significantly compared to 2011, overall, they did not perform to expectations again in 2012, due to the challenging operating environment. Passenger business operations continue to be affected by depressed bus fares due to prevailing economic environment challenges. Despite this occupancy levels remained constant and the brand is strong in the market. The Passenger division now operates pre-dominantly new buses due to the on-going recapitalization drive which has resulted in improved operational efficiencies.

UNIFREIGHT

The purchase of Unifreight Ltd's operating assets by Pioneer Corporation Africa Ltd was approved in August 2011. The Zimbabwe Stock Exchange and the Competition Commission approved the transaction. We now await approval from one remaining regulatory authority. Unifreight Ltd financial results for 2012 have therefore not been incorporated into these audited results. Unifreight Ltd recorded an unaudited operating profit of USD 508,811 in 2012. Once this transaction is approved by the remaining regulatory authority, the new combined Group will double its revenue base.

OUTLOOK

There is optimism that the Zimbabwe economy and industry in general in Zimbabwe will improve going forward given positive developments on the economic front to attract foreign investment and more lines of credit. The impact will be positive for all our businesses including local. With a single digit inflation rate, Zambia remains one of the attractive investment destinations in the region. New strategic contracts have been secured in Zambia and Botswana to move mining minerals. The right sizing and business restructuring initiatives which began some 18 months ago and implemented beginning of 2013 should result in significant turnaround of Group performance going forward. The on-going re-capitalization of the business will result in improved operational efficiencies and strong Group brands for our customers. A structured cost reduction drive has been implemented to ensure viable profit margins are achieved in 2013 and beyond. Positive performance is forecasted for 2013.

DIVIDEND

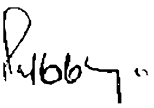
The Board has not declared a dividend in line with the strategy to invest in working capital.

APPRECIATION

On behalf of the Board, I would like to thank management, staff and other stakeholders for their support and commitment in keeping the company moving forward during current challenging times.

CONDOLENCES

The Board wishes to express its condolences to the Leith family on the passing away of William Leith (non executive director) who passed away in early 2013. We value his service to the company over the years.



Patrick Chingoka
Chairman

9 April 2013


Pioneer
TRANSPORT
H062
SCANIA
R420
ACE 2148

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group for the year ended 31 December 2012.

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

Share capital details

	Number of ordinary shares
Authorised share capital : Ordinary shares @ $0.01 each	60,000,000
Issued and fully paid share capital : Ordinary shares @ $0.01 each	54,976,650
Authorised but unissued shares under the control of the Directors : Ordinary shares @ $0.01 each	5,023,350

Reserves

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

Directorate
D Hlatshwayo (Executive) retired from the Board on 31 December 2012. S G W Rudland retired from the Board on 31 March 2013. W Leith passed away on 17 January 2013 and G R Smith (Executive) was appointed to the Board on 2 January 2013.

Directors fees
Members will be asked to approve the payment of Directors' fees in respect of the year ended 31 December 2012.

Auditors
Members will be asked to ratify the appointment of Ernst and Young Chartered Accountants (Zimbabwe) as the auditors for the financial year ending 31 December 2012. Members will also be asked to approve the remuneration of the Auditors for the past year and consider the re-appointment of the Auditors for the current year.

For and on behalf of the Board

P. C. Chingoka
Chairman

M.Mukamba
Company Secretary

9 April 2013

Corporate Governance

Pursuant to Pioneer Corporation Africa Limited's endorsement of the King III Report on Corporate Governance for South Africa, the Board has taken further steps to promote transparency, integrity and accountability in the running of the Group.

Board of Directors

The Board has two Executive Directors and eight Non Executive Directors, six of which are independent Non Executive Directors. The Board meets at least quarterly. S.G.W. Rudland is an alternate member of the Board to H.B.W. Rudland. Profiles of the Directors may be found on page 5-6 of this report. The roles of Chairman and CEO are completely separate and no individual has unfettered control over decision-making. The Board remains responsible to Shareholders for the setting of strategic direction, monitoring of operational performance and management, risk management processes and policies, compliance and setting of authority levels as well as the selection of new directors. The Board is also responsible for the integrity and quality of communication with stakeholders, including employees, regulators and shareholders. All Directors have direct access to the advice and service of the Company Secretary and to information on the Group's affairs. Each Director is elected by members in a general meeting and must retire by rotation every three years and in the case of new directors, at the expiry of their first year. The Board has approved fees for the coming year, which, as before, are split between a standing quarterly fee and a fee per meeting or Committee meeting attended.

Directors' Interests

Directors of Pioneer Corporation Africa Limited are required to advise in writing of any material interest in any contract of significance with the Group or its subsidiaries. Messrs H. B. W. and S. G. W. Rudland are shareholders and directors of Packhorse Services (Private) Limited trading as Scanlink, the local Scania franchise dealer and Pellston (Private) Limited, a fuel supplier, with whom the Group has significant contracts.

Board Committees

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

Audit and Finance Committee

An independent Non Executive Director chairs the Audit and Finance Committee. The Audit Committee has adopted the terms of Reference for an Audit Committee as detailed in the King III report. In particular it assists the Board in the discharge of its duties relating to financial reporting to all stakeholders, compliance and effectiveness of accounting and management information systems.

Human Resources and Remuneration Committee

This Committee was formed early in 2004 and has from its inception been chaired by an independent Non Executive Director. The CEO is invited to its meetings but does not participate in any discussions on his remuneration. The Committee is responsible for setting the remuneration of senior executives and fixing the remuneration packages of individual directors within agreed terms of reference, in order to avoid potential conflicts of interest. The broad guidelines of the Committee are to ensure that the financial rewards offered by the Group to employees are sufficient to attract people of the right calibre required for the effective running of the Group and to produce the required returns to its shareholders.

Strategy Committee

This Committee was established to ensure that strategic issues are monitored constantly, to ensure that the Group remains pro-active in a challenging environment. It has and will continue to assist the Board with its role of formulating the strategic direction of the Group, ensuring that it takes advantages of opportunities, whilst dealing appropriately and positively with threats.

Property Committee

This Committee was established to ensure that the critical property portfolio for the Group is handled separately. This was done in order for the portfolio to get due attention and also to ensure it's growth.

Risk Committee

This Committee was established to ensure that strategic potential risks which might affect the Group are managed before they result in financial loss. This Committee's core function is to pro-actively manage the Group's risk.

ERNST & YOUNG

Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way/
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare

Tel: +263 04 750905 / 750979
Fax: +263 04 750707 / 773842
E-mail: admin@zw.ey.com

To the members of Pioneer Corporation Africa Limited

We have audited the accompanying consolidated financial statements of Pioneer Corporation Africa Limited and its subsidiaries (the Group), as set out on pages 15 to 40, which comprise the consolidated statement of financial position at 31 December 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pioneer Corporation Africa Limited as at 31 December 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter paragraph

Without qualifying our opinion, we draw your attention to Note 2.1.1 which indicates that the Group, incurred a loss for the year ended 31 December 2012 of $562,000 (2011: Profit of $291,000) and as at that date had a net current liability position of $2 536 000 (2011: $2 313 000). These conditions along with other matters as set forth in Note 2.1.1 indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

In our opinion, the consolidated financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare
9 April 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

	Notes	2012 USD 000	2011 USD 000
ASSETS			
Non current assets		13,371	13,667
Property, vehicles and equipment	6	8,491	8,109
Investment Property	7	4,880	5,518
Trade and other receivables	10	-	40
Current assets		4,499	6,167
Inventories	9	327	213
Trade and other receivables	10	3,976	5,394
Cash and bank balances	11	196	560
TOTAL ASSETS		17,870	19,834
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent		5,349	4,134
Share capital	12	549	549
Non distributable reserve		4,762	4,762
Revaluation reserve		1,209	1,061
Foreign currency translation reserve		(412)	(88)
Shareholders loans	14	2,875	577
Accumulated loss		(3,634)	(2,727)
Non controlling interest		1,020	999
Total equity		6,369	5,133
Non current liabilities		4,466	6,221
Borrowings	14	2,290	4,695
Trade and other payables	13	497	-
Deferred income tax liabilities	15	1,679	1,526
Current liabilities		7,035	8,480
Trade and other payables	13	5,917	6,663
Current income tax liabilities		150	62
Borrowings	14	968	1,755
TOTAL EQUITY AND LIABILITIES		17,870	19,834

These financial statements were approved by the Board on 9 April 2013 and signed on it's behalf by:

P.C. Chingoka
Chairman

A. Ushe
Chief Executive Officer

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2012

	Notes	2012 USD 000	2011 USD 000
Revenue		26,686	26,417
Cost of sales	18	(16,710)	(16,552)
Gross Profit		9,976	9,865
Other operating income	17	982	925
Distribution expenses	18	(230)	(184)
Administration expenses	18	(9,930)	(10,288)
Other operating expenses	18	(761)	(82)
Operating Profit		37	236
Financing costs	20	(245)	(282)
Loss before taxation		(208)	(46)
Income tax (charge)/credit	21	(354)	337
(Loss)/Profit for the year		(562)	291
Other comprehensive income:			
Currency translation differences		(648)	(626)
Revaluation surplus on property, vehicles and equipment		148	-
Total other comprehensive loss		(500)	(626)
Total comprehensive loss for the year		(1,062)	(335)
Loss for the year attributable to:			
Owners of the parent		(907)	(390)
Non-controlling interest		345	681
		(562)	291
Total comprehensive loss attributable to:			
Owners of the parent		(1,370)	(703)
Non-controlling interest		308	368
		(1,062)	(335)
Basic loss per share (cents)	22	(1.65)	(0.71)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2012

	Attributable to equity shareholders of the parent							
	Share capital USD 000	Non-distributable reserves USD 000	Revaluation reserve USD 000	Foreign currency translation reserve USD 000	Shareholders loans USD 000	Accumulated loss USD 000	Non controlling interest USD 000	Total equity USD 000
Year ended 31 December 2011								
Balance as at 1 January 2011	-	5,311	1,061	225	291	(2,337)	631	5,182
Redenomination of share capital	549	(549)	-	-	-	-	-	-
Transaction with Shareholders								
Discounting of shareholders loans	-	-	-	-	286	-	-	286
Comprehensive (loss)/income								
(Loss)/Profit for the year	-	-	-	-	-	(390)	681	291
Other comprehensive income								
Currency translation differences	-	-	-	(313)	-	-	(313)	(626)
Balance as at 31 December 2011	549	4,762	1,061	(88)	577	(2,727)	999	5,133
Year ended 31 December 2012								
Balance as at 1 January 2012	549	4,762	1,061	(88)	577	(2,727)	999	5,133
Transactions with shareholders								
Shareholder loans transferred to equity	-	-	-	-	2,298	-	-	2,298
Comprehensive (loss)/income								
(Loss)/Profit for the year	-	-	-	-	-	(907)	345	(562)
Other comprehensive income								
Currency translation differences	-	-	-	(324)	-	-	(324)	(648)
Revaluation of property, vehicles and equipment (net of tax)	-	-	148	-	-	-	-	148
Balance as at 31 December 2012	549	4,762	1,209	(412)	2,875	(3,634)	1,020	6,369

Consolidated Statement of Cash flows

for the year ended 31 December 2012

	Notes	2012 USD 000	2011 USD 000
Net cash generated from operating activities		1,934	421
Cash generated from operations	24	2,198	696
Interest paid		(151)	(204)
Taxation paid		(113)	(71)
Net cash utilised in investing activities		(550)	(1,808)
Purchase of property, vehicles and equipment		(2,043)	(2,171)
Proceeds from sale of property, vehicles and equipment		1,450	363
Proceeds from sale of scrap		43	-
Net cash utilised in financing activities		(1,793)	1,516
Proceeds from borrowings		1,068	1,516
Repayments of borrowings		(2,861)	-
Net (decrease)/increase in cash and cash equivalents		(409)	129
Cash and cash equivalents at beginning of year		560	431
Net foreign exchange differences		45	-
Cash and cash equivalents at end of year	11	196	560

1 General information

Pioneer Corporation Africa Limited (formerly Clan Holdings 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 passenger services, inter-city freight, the distribution of general goods and an internal courier service. The Group also has an investment in an associated company involved in tyre retreading and new tyre sales.

The Company is incorporated in Zimbabwe. Other entities in the Group are incorporated in South Africa, Botswana and Mauritius. The company is listed on the Zimbabwe Stock Exchange.

These Group consolidated financial statements are presented in United States Dollars and were authorized for issue by the Board of Directors on 9 April 2013.

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).

The consolidated financial statements have been prepared under the historical cost convention.

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

2.1.1 Going concern.

The financial statements have been prepared on a going concern basis which assumes that the Group and the Company will continue in existence for the foreseeable future. However there are material uncertainties related to the conditions noted below which may cast significant doubt on the Group's and Company's ability to continue as a going concern and that they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The Group as at 31 December 2012 had a net current liability position of USD 2 536m (2011 - USD 2 313m). In addition, at the year end the Group has borrowings totalling USD 3 258m (2011 - USD 6 450m) comprised mainly of non-current liabilities of USD 2 290m (2011 - USD 4 695m) of which USD 1 175m is due to a major shareholder and various finance lease liabilities amounting to USD 1 115m. The Group's ability to repay the debts may be in doubt, however the major shareholder has given an undertaking that loans within non-current liabilities do not need to be repaid in 2013.

The Groups' operations have been significantly affected by the challenging environment and lack of liquidity which has prevailed in Zimbabwe over the past four years. The current year is no exception and it is expected that these adverse conditions will continue for the foreseeable future.

The Directors and management have, in the past eighteen months, taken steps to mitigate these conditions. These include, amongst other initiatives, a review of cost structures to bring these into line with expected revenues and economic activity in the region, the restructure of operations and management, fleet replacement and recapitalization, a strategy review and a refocus on profitable businesses and product lines.

The Directors are confident that these cost, structural and strategic initiatives and the continued support of the major shareholder will ensure the return to profitability and positive cash flow and therefore the Group will continue to operate for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

If the Group was not able to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the year end values of assets to their recoverable amounts and to provide for further liabilities that might arise, and to reclassify non current assets and liabilities to current assets and liabilities.

2.1.2 Changes in accounting policies and disclosures.
(a) New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2012:

- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets
- IFRS 7 Financial Instruments : Disclosures – Enhanced De-recognition Disclosure Requirements

The adoption of the standards or interpretations is described below:

IAS 12 Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets

The amendment clarifies the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sale basis. The amendment is effective for annual periods beginning on or after 1 January 2012 and has no effect on the Group's financial position, performance or its disclosures in the current year as the investment properties are on a cost model.

IFRS 7 Financial Instruments: Disclosures - Enhanced De-recognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after 1 July 2011. The Group does not have any assets with these characteristics so there is no effect in current and future years on the presentation of its financial statements.

2.1.2(b)New standards, interpretations and amendments to existing standards that are not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective. The Group expects adoption of these standards, amendments and interpretations in most cases do not have any significant impact on the Group's financial position or performance in the period of initial application but additional disclosures will be required. In cases where it will have an impact the Group is still assessing the possible impact.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendment is effective for annual periods beginning on or after 1 January 2012 and requires that items of other comprehensive income be grouped in items that would be reclassified to profit or loss at a future point (for example, upon de-recognition or settlement) and items that will never be reclassified. This amendment only effects the presentation in the financial statements and will have no impact on the company's financial position or performance.

IAS 19 Employee Benefits (Revised)

The amendments are effective for annual periods beginning on or after 1 January 2013. There are changes to post employee benefits in that, pension surpluses and deficits are to be recognised in full (no more deferral mechanisms) and all actuarial gains and losses recognised in other comprehensive income as they occur with no recycling to profit or loss. The concept of expected returns on plan assets is also simplified and certain re-wording is made. Past service costs as a result of plan amendments are to be recognized immediately. Short and long-term benefits will now be distinguished based on the expected timing of settlement, rather than employee entitlement. The company is currently assessing the full impact of the amendments.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively. The amendment does not have any effect on the current and future financial position or performance of the company.

IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements e.g. collateral agreements. The disclosures will provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set-off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set-off in accordance with IAS 32. These amendments will not impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2013.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015.

In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after 1 January 2013 and will be applied in the Group's first annual report after becoming effective.

Annual Improvements

These relate to the improvement project started in May 2010. The improvements will not have an impact on the Company, but include:

IAS 1 Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property, Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

These improvements are effective for annual periods beginning on or after 1 January 2013.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the aquiree and the equity interest issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

In the company statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.Cost also includes direct attributable costs of investment.

Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

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 Strategy Committee that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in United States Dollars, which is the Company's functional and the Group's presentation currency.

(b) 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 statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses)/gains-net'.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;

(b) income and expenses for each statement of comprehensive income 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

(c) 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 equity.

2.5 Property, vehicles and equipment

Property, vehicles and equipment are shown at fair value, based on periodic valuations by independent professional valuers or the directors, less subsequent depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amounted of the asset, and the net amount is restated to the revalued amount of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the costs of the item are charged to the statement of comprehensive income during the financial period in which they can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income in the financial period in which they are incurred. Cost includes expenditure that is directly attributable to the acquisition of the item.

Increases in the carrying amount arising on revaluation of property, vehicles and equipment are credited to the revaluation reserve through other comprehensive income. Decreases that offset previous increases of the same asset are charged against the revaluation reserve through other comprehensive income, all other decreases are charged to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Main line vehicles	10 - 12 years
Other vehicles	3 - 8 years
Plant and machinery	5 - 10 years
Furniture and fittings	3 - 5 years
Buildings	50 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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 (note 2.7). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

When revalued assets are sold, the amounts included in revaluation reserves are transferred to retained earnings.

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 incurred for the purpose of acquiring, constructing or producing a qualifying asset. After initial recognition, investment property is carried at cost less subsequent depreciation and impairment losses.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no economic benefit is expected from its disposal.

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.

2.7 Financial Instruments

2.7.1 Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets as appropriate. Financial assets are recognised initially at fair value plus directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss. The Group determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates the designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date the Group commits to purchase or sell the assets. Regular way purchases or sales of financial assets require delivery of assets within the time frame generally established by regulation or convention in the market place.

Subsequent measurement

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. At initial recognition, the Group has designated its quoted and unquoted equities at fair value through profit or loss. For investments designated as at fair value through profit or loss, the following criteria must be met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis, or

- The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with gains or losses recognised in profit or loss. This treatment is applicable to the Group, including the associate company for consistency purposes.

Available-for-sale financial investments

Available-for-sale financial investments are made up of quoted equity instruments. Equity instruments classified as available for sale are those designated as available-for-sale and are not classified as financial assets at fair value through profit or loss, loans and receivables, or held-to-maturity. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in other comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss.

Held-to-maturity investments

These are non-derivative financial assets that comprise fixed or determinable payments and maturities of which the Group has the positive intention and ability to hold until maturity. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. Subsequent to initial recognition, these investments are carried at amortised cost, using the effective interest rate method. Gains and losses are recognised in profit or loss when the investments are de-recognised or impaired, as well as through the amortisation process.

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortised cost, using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Gains and losses are recognised in the statement of comprehensive income when the investments are derecognised or impaired, as well as through the amortisation process.

2.7.2 Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities include loans and other payables. Subsequently, financial liabilities are measured at fair value, with the following exceptions:

- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, or that are accounted for using the continuing-involvement method, are subject to particular measurement requirements.

- Investment contract liabilities are measured at fair value through profit and loss.

- Interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

2.7.3 Offsetting of financial instruments

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

2.7.4 Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

2.7.5 Amortised cost of financial assets

Amortised cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

2.7.6 Impairment of financial assets

The Group assesses the financial assets for impairment at each reporting date whether a financial asset is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset or group of assets (an incurred 'loss event') and that loss event has an effect on the estimated future cash flows of the financial asset or group of financial assets which can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised costs
For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Available for sale financial assets
For available for sale assets the Group assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired. In the case of equity investment classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income - is removed from other comprehensive income and recognized in the profit or loss. Impairment losses on equity investments are not reversed through the profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

2.7.7 De-recognition of financial assets and liabilities

Financial assets
A financial asset is de-recognised when the right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flows from the asset and has transferred substantially all the risks and rewards of the asset to another party.

Financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.11 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.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.15 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 payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

(c) Profit sharing and bonus plans.

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16 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. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

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

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

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of services

The Group sells transportation services to manufacturers, mining companies and the public in general. These services are provided on an ad hoc basis or as a fixed-price contract, with contract terms generally ranging from less than one year to three years.

Revenue from delivering transportation services is generally recognised in the period the services are provided or in the case of a fixed-price contract using a straight-line basis over the term of the contract. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.18 Leases

Group as a lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement 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 benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating 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.

2.19 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 shareholders.

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, fair value 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 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

(i) Foreign exchange risk

The Group operates regionally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand and the Botswana Pula. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Currency risk, as far as possible, is managed by matching foreign denominated liabilities with foreign currency denominated liquid assets.

At 31 December 2012, if the foreign currencies had weakened by 10% with all other variables held constant, post-tax loss for the year would have been USD 36 000 (2011 - USD 85 000) higher and if the foreign currencies had strengthened by 10% with all other variables held constant, post-tax loss for the year would have been USD 45 000 (2011 - USD 103 000) lower. This is mainly as a result of foreign exchange gains/losses on translation of intercompany balances between foreign and local units.

At 31 December 2012, if the foreign currencies had weakened by 10% with all other variables held constant, equity would have been USD 186 000 (2011 - USD 161 000) lower and if the foreign currencies had strengthened by 10% with all other variables held constant, equity would have been USD 227 000 (2011 - USD 198 000) higher. This is mainly as a result of foreign exchange gains/losses on translation of intercompany balances between foreign and local units.

(ii) Cash flow and fair value 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. No re-measurements were done at year end.

At 31 December 2012, if interest rates on borrowings had been 1% higher with all other variables held constant, post-tax loss for the year would have been USD 1 841 (2011 - USD 2 040) higher and if interest rates on borrowings had been 1% lower with all other variables held constant, post-tax loss for the year would have been USD 1 841 (2011 - USD 2 040) lower, mainly as a result of higher/lower interest expense on floating rate borrowings.

(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.

(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 analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

At 31 December 2011	Up to 1 month USD 000	1 to 6 months USD 000	6 months to 1 year USD 000	1 to 5 years USD 000	Total USD 000
Liabilities					
Trade and other payables	1,581	5,082	-	-	6,663
Borrowings	-	-	1,755	4,695	6,450
Total liabilities	1,581	5,082	1,755	4,695	13,113
At 31 December 2012					
Liabilities					
Trade and other payables	1,162	4,755	-	497	6,414
Borrowings	-	3	965	2,290	3,258
Total liabilities	1,162	4,758	965	2,787	9,672

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. During 2012, the Group's strategy was to maintain the gearing ratio within 40% to 50%, which was maintained throughout the period. The gearing ratio at 31 December 2012 was 32% (2011 - 53%)

	2012 USD 000	2011 USD 000
Total borrowings	3,258	6,450
Less: cash and cash equivalents	(196)	(560)
Net debt	3,062	5,890
Total equity	6,369	5,133
Total capital	9,431	11,023
Gearing ratio	32%	53%

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The directors fair value property, vehicles and equipment based on market valuations undertaken on a regular basis.

4 Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

(a) Impairment losses on trade and other receivables

The Group reviews its trade and other receivables to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Group makes judgements as to whether there is observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of trade and other receivables before the decrease can be identified with an individual receivable in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in the Group, or national or local economic conditions that correlate with defaults in the Group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(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.

(c) Useful lives and values of property, vehicles and equipment

The Group management determines the estimated useful lives and related depreciation charges for its property, vehicles and equipment. 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.

(d) Valuation of property, vehicles and equipment

On 31 December 2010 an independent valuation was done on all property, vehicles and equipment. In 2012 the directors valued property at market value based on independent valuers advice during the year.

The Group tests whether property, vehicles and equipment have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered, in accordance with the accounting policy note in 2.5 to the Group financial statements. The recoverable amounts of property, vehicles and equipment have been determined with reference to fair value less cost to sell.

(e) 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 2012, 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.

5 Segment Information

Management has determined the operating segments based on the reports reviewed by the Strategy Committee that are used to make strategic decisions. The Committee considers the business from a service line perspective.

The reportable operating segments derive their revenue primarily from the sale of transport and logistics services. The Committee assesses the performance of the operating segments based on a measure of EBIT.
Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

At 31 December 2012, the Group is organised into three main operating segments
- Consolidations and Services
- Freight
- Passenger

The segment results for the year ended 31 December 2012 are as follows

	Consolidation and Services USD 000	Freight USD 000	Passenger USD 000	Corporate USD 000	Consolidated USD 000
Total segment revenue	443	23,153	6,756	402	30,754
Inter segment revenue	-	(3,666)	-	(402)	(4,068)
Total revenue	443	19,487	6,756	-	26,686
Segment result:					
Operating (loss)/profit	25	633	(426)	(194)	38
Net Finance costs					(246)
Net loss before income tax					(208)
Income tax charge					(354)
Loss for the year					(562)

Statement of financial position at 31 December 2012

	Consolidation and Services USD 000	Freight USD 000	Passenger USD 000	Corporate USD 000	Consolidated USD 000
Assets					
Non-current assets	24	4,681	1,921	6,745	13,371
Current assets	136	4,000	254	109	4,499
Total assets	160	8,681	2,175	6,854	17,870
Liabilities					
Non-current liabilities	6	2,886	75	1,499	4,466
Current liabilities	77	4,741	1,399	818	7,035
Total liabilities	83	7,627	1,474	2,317	11,501

5 Segment Information (continued)

The segment results for the year ended 31 December 2011 are as follows

	Consolidation and Services USD 000	Freight USD 000	Passenger USD 000	Corporate USD 000	Consolidated USD 000
Total segment revenue	216	26,454	6,359	529	33,558
Inter segment revenue	-	(6,723)	-	(418)	(7,141)
Total revenue	216	19,731	6,359	111	26,417
Segment result:					
Operating (loss)/ profit	(680)	1,025	139	(248)	236
Net Finance costs					(282)
Net loss before income tax					(46)
Income tax credit					337
Profit for the year					291

Statement of financial position at 31 December 2011

	Consolidation and Services USD 000	Freight USD 000	Passenger USD 000	Corporate USD 000	Consolidated USD 000
Assets					
Non-current assets	277	3,726	2,434	7,230	13,667
Current assets	137	5,120	797	113	6,167
Total assets	414	8,846	3,231	7,343	19,834
Liabilities					
Non-current liabilities	29	2,867	1,806	1,520	6,223
Current liabilities	1,328	5,792	886	474	8,479
Total liabilities	1,357	8,659	2,692	1,994	14,702

The Group operates in three main geographical areas, even though they are managed on a regional basis.
The home country of the holding company is Zimbabwe.

The Groups revenue is generated mainly within the geographical zones of Zimbabwe, Botswana and Republic of South Africa

	2012 USD 000	2011 USD 000
Revenue		
Geographical Zone		
Zimbabwe	7,996	4,308
Botswana	1,573	2,377
South Africa	17,117	19,732
	26,686	26,417
Total assets		
Geographical Zone		
Zimbabwe	13,898	14,202
Botswana	536	620
South Africa	3,436	5,012
	17,870	19,834
The assets are allocated based on where the assets are located.		
Total liabilities		
Geographical Zone		
Zimbabwe	8,424	10,689
Botswana	503	672
South Africa	2,574	3,341
	11,501	14,702

6 Property, vehicles and equipment

	Land and buildings USD 000	Motor vehicles USD 000	Equipment, furniture and fittings USD 000	Total USD 000
At 1 January 2011				
Cost or valuation	7,702	7,435	399	15,536
Accumulated depreciation	(319)	(1,771)	(234)	(2,324)
Net carrying amount	7,383	5,664	165	13,212
Year ended 31 December 2011				
Opening net book amount	7,383	5,664	165	13,212
Additions		1,976	195	2,171
Transfer to Investment property	(5,518)			(5,518)
Disposals		(769)	(9)	(778)
Depreciation charge	(125)	(762)	(91)	(978)
Closing net carrying amount	1,740	6,109	260	8,109
At 31 December 2011				
Cost or valuation	1,833	8,385	574	10,792
Accumulated depreciation	(93)	(2,276)	(314)	(2,683)
Net carrying amount	1,740	6,109	260	8,109
Year ended 31 December 2012				
Opening net book amount	1,740	6,109	260	8,109
Additions		1,968	75	2,043
Revaluation surplus	200			200
Disposals		(280)	(1)	(281)
Depreciation charge	(28)	(1,461)	(53)	(1,542)
Effect of currency movements		(35)	(3)	(38)
Closing net carrying amount	1,912	6,301	278	8,491
At 31 December 2012				
Cost or valuation	2,033	9,241	636	11,910
Accumulated depreciation	(121)	(2,905)	(355)	(3,381)
Effect of currency movements		(35)	(3)	(38)
Net carrying amount	1,912	6,301	278	8,491

The Group's land and buildings were revalued by the directors on 31 December 2012. The directors, in valuing the land and buildings were guided by an independent valuation of the properties carried out in the last quarter of the year.

Transfer to Investment Property

Certain land and buildings were reclassified from Property, vehicles and equipment to Investment property in 2011. This is due to change in the use of the properties from being owner-occupied to being leased out for rentals (note 7).

The category of motor vehicles includes vehicles leased by the Group under non- cancellable finance lease arrangements with the following carrying amounts: (note 14).

	2012 USD 000	2011 USD 000
Cost	2,962	1,948
Accumulated Depreciation	(782)	(241)
Net carrying amount	2,180	1,707

The lease terms are between one and 5 years and ownership of the assets lie within the Group.

7 Investment Property

Investments	Land and buildings USD 000
Year ended 31 December 2011	
Opening net carrying amount	-
Transfer from property, vehicles and equipment	5,585
Depreciation charge	(67)
Closing net carrying amount	5,518
At 31 December 2011	
Cost or valuation	5,585
Accumulated depreciation	(67)
Net carrying amount	5,518
Year ended 31 December 2012	
Opening net carrying amount	5,518
Disposals	(549)
Depreciation charge	(89)
Closing net carrying amount	4,880
At 31 December 2012	
Cost or valuation	5,058
Accumulated depreciation	(178)
Net carrying amount	4,880

The Investment property constitutes previously owner-occupied land and buildings which are now being leased to third parties. The transfer from property, vehicles and equipment occurred during 2011.

The fair value of Investment property as at 31 December 2012 was USD 4 967m.

8 Financial instruments by category

	Loans and receivables at amortised cost 2012 USD 000	Loans and receivables at amortised cost 2011 USD 000
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments)	3,894	5,346
Cash and bank balances	196	560
Total	4,090	5,906

	Other financial liabilities at amortised cost 2012 USD 000	Other financial liabilities at amortised cost 2011 USD 000
Liabilities as per statement of financial position		
Borrowings	1,853	4,695
Finance lease liabilities	1,405	1,755
Trade and other payables (excluding statutory liabilities)	4,323	6,108
Total	7,581	12,558

		2012 USD 000	2011 USD 000
9	**Inventories**		
	Spares and fuel	327	213

The cost of inventories recognised as expense and included in 'cost of sales' amounted to USD 9 959 145 (2011: USD 8 969 444)

		2012 USD 000	2011 USD 000
10	**Trade and other receivables**		
	Non current		
	Other debtors	-	40
	Current		
	Trade receivables	3,300	4,701
	Less: provision for impairment	(238)	(191)
	Trade receivables - net	3,062	4,510
	Prepayments	82	48
	Staff debtors	117	57
	VAT claimable	404	370
	Other debtors	311	409
		3,976	5,394

As at 31 December 2012 trade receivables of USD 2 688 612 (2011 : USD 3 738 000) were fully performing.

As of 31 December 2012, trade receivables of USD 373 123 (2011: USD 772 000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The credit quality of debtors is considered to be sound.

The ageing analysis of these receivables is as follows:

	2012 USD 000	2011 USD 000
Up to 3 months	36	145
3 to 6 months	337	627
Total	373	772

As at 31 December 2012 trade receivables of USD 237 842 (2011: USD 191 000) were past due and impaired.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Currency	2012 USD 000	2011 USD 000
US Dollar	2,181	1,200
RSA Rand	1,648	4,194
Botswana Pula	147	-
	3,976	5,394

The maximum exposure to credit risk at the reporting date is the fair value 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:

	2012 USD 000	2011 USD 000
At 1 January	191	56
Write offs	(97)	-
Provision for receivables impairment	144	135
At 31 December	238	191

The creation and release of provision for impaired receivables have been included in 'other expenses' in the income statement. 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.

11 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2012 USD 000	2011 USD 000
Cash at bank and on hand	196	560

12 Share capital and premium

	Number of shares	Ordinary shares USD 000	Share premium USD 000	Total USD 000
At 31 December 2011	54,976,650	549	-	549
At 31 December 2012	54,976,650	549	-	549

The total number of authorised ordinary shares is 60 000 000 shares.
There are 5 023 350 unissued shares which are under the control of the directors as at reporting date. All issued shares are fully paid.
In 2011 the shares were redenominated to USD0.01 per ordinary share and consolidated at 1:10.

13 Trade and other payables

	2012 USD 000	2011 USD 000
Non current		
Other payables	497	-
Current		
Trade payables	2,477	1,205
Trade payable due to related parties (note 26)	960	4,447
Accrued expenses	868	456
Social security and other statutory liabilities	1,612	555
	5,917	6,663

14 Borrowings

	2012 USD 000	2011 USD 000
Non current		
Shareholders' loans	4,050	4,574
Less: Shareholders' loans transferred to equity	(2,875)	-
	1,175	4,574
Finance lease liabilities	1,115	121
	2,290	4,695
Current		
Shareholders' loans	547	-
Finance lease liabilities	290	1,755
Bank overdraft	61	-
Other	70	-
	968	1,755
Total borrowings	3,258	6,450

The loans are from the major shareholders and are denominated in United States Dollars. The loans from prior years were interest-free and had no fixed terms of re-payment. Loans in the amount of USD 2 874 881 have been moved to equity in 2012 in line with IAS39 as the shareholders have waived their rights to repayment of these loans in the foreseeable future.
Loans provided in 2012 incur interest at 12% and are repayable by Dec 2014. All loans are unsecured.

Finance lease liabilities (note 6)
Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Finance lease liabilities – minimum lease payments

	2012 USD 000	2011 USD 000
Later than 1 year and no later than 5 years	1,115	-
No later than 1 year	364	1,826
Future finance charges on finance leases	(74)	(71)
Present value of finance lease liabilities	1,405	1,755

14 Borrowings (continued)

	2012 USD 000	2011 USD 000
The present value of finance lease liabilities is as follows:		
No later than 1 year	290	1,755
Later than 1 year and no later than 5 years	1,115	-
	1,405	1,755
The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:		
Payable within 6 months	3	-
Payable within 6 -12 months	965	1,755
Payable within 1-5 years	2,290	4,695
Total	3,258	6,450

The fair value of current and non-current borrowings equals their carrying amounts as the impact of discounting is not significant.

The carrying amounts of the Groups borrowings are denominated in the following currencies :

Currency	2012 USD 000	2011 USD 000
US dollar	2,659	4,494
RSA rand	279	1,956
Botswana pula	320	-
	3,258	6,450

15 Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2012 USD 000	2011 USD 000
Deferred income tax liabilities		
-Deferred income tax liability to be recovered after more than twelve months	1,097	997
-Deferred income tax liability to be recovered within twelve months	582	529
	1,679	1,526
Deferred tax liabilities (net)	1,679	1,526
The gross movement on the deferred income tax account is as follows :		
At beginning of year	1,526	1,907
Income statement charge/(credit)	153	(381)
At end of year	1,679	1,526

Deferred tax liabilities

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Accelerated tax depreciation USD 000	Other USD 000	Total USD 000
Deferred tax liabilities			
At 1 January 2012	1,526	-	1,526
Charge to income statement	153	-	153
At 31 December 2012	1,679	-	1,679

16 Retirement benefits

16.1 Defined contribution fund

The Group operates a defined contribution plan pension scheme. A Board of Trustees administers the fund. All full time and permanent employees are eligible for membership. The plan is funded by contributions by the companies in the Group and eligible employees.

16.2 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 19.

		2012 USD 000	2011 USD 000
17	**Other income**		
	Sale of scrap	43	144
	Profit on disposal of property, vehicles & equipment	619	-
	Workshop recoveries	-	464
	Sub letting of depots	318	112
	Interest received	2	-
	Ticket selling commissions	-	205
		982	925

The sale of scrap relates to scrapped parts and tyres mainly from the transport business.

		2012 USD 000	2011 USD 000
18	**Expenses by nature**		
	Fuels and consumables used	9,959	8,969
	Vehicles operating expenses	7,292	8,615
	Employee benefits expenses (note 19)	4,926	5,248
	Depreciation and amortisation	334	1,045
	Impairment charge	137	-
	Security	188	286
	Communication expenses	761	718
	Audit fees	162	212
	Other professional fees	58	141
	Fines	408	251
	Subcontracting	126	99
	Licenses and insurance	502	710
	Other expenses	2,778	812
	Total cost of sales, distribution, administrative and other operating expenses	27,631	27,106

Interest and tax paid have been excluded

Depreciation expense for property, vehicles and equipment and investment properties of USD 1 297 048 has been charged in 'cost of sales' and USD 333 667 in administration expenses.

		2012 USD 000	2011 USD 000
19	**Employee benefits expense**		
	Wages and salaries (including executive directors' emoluments)	4,709	4,835
	Retrenchment costs	9	202
	Pension costs	148	125
	Social security costs	60	86
		4,926	5,248
	Directors' remuneration:		
	Directors' fees	141	51
	Other emoluments	132	252
		273	303
	Average number of people employed	523	548
20	**Finance cost**		
	Interest expense		
	- bank borrowings	-	204
	- shareholders loans	47	-
	- finance leases	137	-
	- other	17	-
		201	204
	Foreign exchange losses	45	78
		246	282

		2012 USD 000	2011 USD 000
21	**Income tax**		
	Current income tax expense	201	44
	Deferred income tax charge/credit (note 15)	153	(381)
		354	(337)
	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 :		
	Loss before tax	(208)	(46)
	Tax calculated at domestic tax rates applicable to profits in the respective countries	(54)	(12)
	Expenses not deductible for tax purposes	408	(325)
	Tax charge (credit)	354	(337)
22	**Loss per share**		
	Basic		
	Basic loss per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.		
	Loss attributable to equity holders of the company (USD 000)	(907)	(390)
	Weighted average number of ordinary shares in issue	54,976,650	54,976,650
	Basic loss per share (cents)	(1.65)	(0.71)
23	**Dividends**		
	The company did not declare any dividend during the period in line with its strategy of growth. These financial statements do not reflect any dividend payable.		
24	**Cash generated from operations**		
	Loss before income tax	(208)	(46)
	Adjusted for :		
	- Depreciation and impairment	1,631	1,045
	- (Profit)/Loss on disposal of property, vehicles and equipment	(619)	(410)
	- Net Finance cost	245	282
	- Profit on sale of scrap	(43)	-
	- Bad debts written off	97	-
	Changes in working capital:		
	- Inventory	(114)	-
	- Trade and other receivables	1,458	(877)
	- Trade and other payables	(249)	702
	Cash generated from operations	2,198	696
25	**Commitments**		
	The Group currently has no additional commitments outside normal trading activities.		
26	**Related-party transactions**		
	Messrs H.B.W. and S.G.W. Rudland who are Directors of the Company are also the majority shareholders and directors of the companies indicated below with whom the Group has significant contracts.		
	The following transactions were carried out with related parties:		
	(i) Purchase of goods and services from entities controlled by directors		
	- Purchase of fuel from Pellston (Private) Limited	4,873	4,434
	- Hire of trucks from Henroy Trucking (Private) Limited	-	149
	- Purchase of spares from Scanlink (Private) Limited	466	181
	- Management fees to Ramsway Consultancy	138	61
		5,477	4,825

26 Related-party transactions (continued)

	2012 USD 000	2011 USD 000
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		
- Pellston (Private) Limited	701	3,246
- Scanlink (Private) Limited	259	1,201
	960	4,447
(iii) Finance lease liabilities		
- Entities controlled by directors - Henroy Trucking (Private) Limited	927	1,755
The balance relates to a finance lease agreement entered into in 2011 with a company which the major shareholders have an interest in.		
(iv) Loans from related parties		
Shareholders' loans (note 14)	4,597	4,574
Shareholders' loans of USD 2 297 881 have been moved to equity in 2012 The major shareholder confirmed that this amount will not be repayable in the foreseeable future.		
(v) Directors' shareholdings		
Messrs H.B.W. Rudland and S.G.W. Rudland directly or indirectly have a shareholding of 42 374 994 shares. All other Directors have no shareholdings either directly or indirectly.		
(vi) Key management compensation		
Salaries and other short term employee benefits	408	372

There are no loans due from or to directors and senior management as at reporting date.

27 Investments in subsidiaries and associate

Operating Companies	Business
Pioneer Clan (Botswana) (Pty) Limited (50%)	Cross border freight haulage and logistics
Pioneer Transport (Pvt) Limited (100%)	Freight and regional coach services
PXL Freight and Logistics (Pvt) Limited (25%)	Cross border freight haulage and logistics
African Spirit Trading 103 (Pty) Limited (25%)	Cross border freight haulage and logistics
Mavambo Coaches (Pty) Limited (50%)	Regional coach services
Clan Transport Company (Pvt) Limited (100%)	Road freight within Zimbabwe
Trek Transport (Pvt) Limited t/a Skynet Worldwide Express (100%)	Courier services
Clan Properties (Pvt) Limited (100%)	Property-owning
Kirkman & Kukard (Pvt) Limited (100%)	Property-owning
Birmingham Road Property (Pvt) Limited (100%)	Property-owning
Tredcor Zimbabwe (Pvt) Limited (41%)	Tyre retreading

The investment in the associate has been reduced to NIL (2011 - NIL) due to accumulated losses incurred in the associate.

28 Events after the reporting period

There are no adjusting events after the reporting date which have an effect on the financial position of the Group as at the reporting date.

Company Statement of Financial Position

as at 31 December 2012

	Notes	2012 USD 000	2011 USD 000
ASSETS			
Non current assets		14	109
Property, vehicles and equipment		14	34
Deferred tax asset		-	75
Current assets		59	232
Trade and other receivables		27	29
Amounts owing by subsidiary companies	B	30	194
Cash and bank balances		2	9
TOTAL ASSETS		73	341
EQUITY AND LIABILITIES			
Equity		(984)	(691)
Share capital		549	549
Non distributable reserve		(847)	(847)
Accumulated loss		(686)	(393)
Current liabilities		1,057	1,032
Trade and other payables	A	505	436
Amounts owing to subsidiary companies	B	552	596
TOTAL EQUITY AND LIABILITIES		73	341

These financial statements were approved by the Board on 9 April 2013 and signed on it's behalf by:

P.C. Chingoka
Chairman

A. Ushe
Chief Executive Officer

		2012 USD 000	2011 USD 000
A	Trade and other payables		
	Trade payables	69	34
	Accrued expenses	84	181
	Social security and other statutory liabilities	352	221
		505	436
B	Amounts owing by/to subsidiary companies		
	Amount owed by Clan Transport Company (Pvt) Ltd	18	36
	Amount owed by Pioneer Clan (Botswana) (Pty) Ltd	-	42
	Amount owed by African Spirit Trading 103 (Pty) Ltd	-	108
	Amount owed by Trek Transport (Pvt) Ltd	1	-
	Amount owed by Clan Properties (Pvt) Ltd	11	8
		30	194
	Amount owed to African Spirit Trading 103 (Pty) Ltd	315	521
	Amount owed to Pioneer Coaches	208	70
	Amount owed to Pioneer Transport (Pvt) Ltd	6	5
	Amount owed to Clan Properties (Pvt) Ltd	23	-
		552	596

SHAREHOLDERS' ANALYSIS

SIZE OF HOLDING	2012 No. of Shareholders	%	No. of Issued Shares	%	2011 No. of Shareholders	%	No. of Issued Shares	%
1 - 1000	562	56.6%	205,929	0.4%	562	56.6%	205,929	0.4%
1001 - 5000	251	25.3%	570,247	1.0%	251	25.3%	570,247	1.0%
5001 - 10000	62	6.2%	448,155	0.8%	62	6.2%	448,155	0.8%
10001 - 50000	67	6.8%	1,439,493	2.6%	67	6.8%	1,439,493	2.6%
50001 - 500000	37	3.7%	5,368,646	9.8%	37	3.7%	5,368,646	9.8%
500001 and over	14	1.4%	46,944,180	85.4%	14	1.4%	46,944,180	85.4%
	993	100.0%	54,976,650	100.0%	993	100.0%	54,976,650	100.0%

SHAREHOLDERS BY TYPE

Banks and Nominees	40	4.0%	4,888,777	8.9%	40	4.0%	4,888,777	8.9%
Insurance Companies	3	0.3%	49,495	0.1%	3	0.3%	49,495	0.1%
Other Corporates	166	16.7%	40,627,187	73.9%	166	16.7%	40,627,187	73.9%
Pension Funds	2	0.2%	3,527,412	6.4%	2	0.2%	3,527,412	6.4%
Resident Individuals	750	75.6%	3,703,410	6.7%	750	75.6%	3,703,410	6.7%
Non Resident Shareholders	28	2.8%	2,173,729	4.0%	28	2.8%	2,173,729	4.0%
Deceased Estates	4	0.4%	6,640	0.0%	4	0.4%	6,640	0.0%
Total	993	100.0%	54,976,650	100.0%	993	100.0%	54,976,650	100.0%

TOP SHAREHOLDERS

2012	Issued Shares	%	2011	Issued Shares	%
Drop Hill Investments P/L	10,586,714	19.3%	Drop Hill Investments P/L	10,586,714	19.3%
High Wind Investments P/L	9,125,366	16.6%	High Wind Investments P/L	9,125,366	16.6%
Earnbridge Investments P/L	7,161,452	13.0%	Earnbridge Investments P/L	7,161,452	13.0%
Holdsworth Holdings P/L	4,069,131	7.4%	Holdsworth Holdings P/L	4,069,131	7.4%
National Pension Scheme	3,522,412	6.4%	National Pension Scheme	3,522,412	6.4%
Stanbic Nominees P/L	3,271,865	6.0%	Stanbic Nominees P/L	3,271,865	6.0%
Heathier-way Investments P/L	3,200,000	5.8%	Heathier-way Investments P/L	3,200,000	5.8%
Ramsway P/L	1,997,809	3.6%	Ramsway P/L	1,888,012	3.4%
CPK Holdings Limited,	1,595,976	2.9%	CPK Holdings Limited	1,595,976	2.9%
Other	10,445,925	19.0%	Other	10,555,722	19.2%
	54,976,650	100.0%		54,976,650	100.0%

SHAREHOLDERS' CALENDER

Financial Year ended 31 December 2012:

Annual report published 9 April 2013

Abbreviated results press publication 15 April 2013

43rd Annual General Meeting 27 June 2013

Financial Year ended 31 December 2013:
Interim results 30 September 2013

Notes

Notes