UNIFREIGHT AFRICA LTD

Total Transport & Logistics Solutions

Annual Report 2014

CONTENTS

NOTICE OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF UNIFREIGHT AFRICA LIMITED

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

Notice is hereby given that the 45th Annual General Meeting (AGM) of Shareholders will be held in the Unifreight Africa Limited Boardroom, Corner Hood/Hermes Roads, Southerton, Harare on Tuesday 30th June 2015 at 10:00 a.m. to conduct the following business;

ORDINARY BUSINESS

1. CONSTITUTION OF MEETING

1.1. To table forms of proxy and declare the meeting constituted.

2. FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS

2.1 To consider and adopt the financial statements for the year ended 31 December 2014 together with the reports of the directors and auditors.

3. DIRECTORS' FEES

3.1 To approve Directors' fees for the year ended 31 December 2014.

4. DIRECTORATE

4.1 To re-elect Messrs Hamish Bryan Wilburn Rudland and Patrick Chakanetsa Chingoka as directors of the Company. In terms of the Articles of Association, Messrs Hamish Bryan Wilburn Rudland and Patrick Chakanetsa Chingoka retire by rotation at the Company's Annual General meeting and, both being eligible, offer themselves for re-election.

5. AUDITORS

5.1 To approve the remuneration of the auditors for the past year and to consider the re-appointment of EY Chartered Accountants (Zimbabwe) as auditors for the ensuing year.

6. SPECIAL BUSINESS

6.1 To ratify and approve that the Company's borrowings exceed the limit provided for by Section 89 of the Company's Articles of Association.

7. Any Other Business

APPOINTMENT OF PROXY

In terms of Section 129 of the Companies Act [Chapter 24:03], members are entitled to appoint one or more proxies to act in the alternative, to attend, speak and vote in their place at the meeting. 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 Annual General Meeting.

OFFICE OF THE COMPANY'S TRANSFER SECRETARIES	REGISTERED OFFICE OF THE COMPANY
First Transfer Secretaries (Private) Limited No. 1 Armagh Avenue, Eastlea, Harare, Zimbabwe	Unifreight Africa Limited Corner Hood/ Hermes Roads, Southerton, Harare, Zimbabwe

By Order of the Board
Moreblessing Mukamba
Company Secretary

9 June 2015

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

Unifreight Africa Limited is committed to offering sustainable, unmatched world class efficient transport and consolidation services to its selected valuable customers at all times in all countries of operation.

Through its dedicated, motivated and professional employees, Unifreight 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

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 consolidations and freight services, contracts, passenger and tyre sales and retreading.

MAIN BOARD

P. C. Chingoka Chairman
G. R. Smith * Chief Executive Officer (Appointed 1st June 2014)
H. B. W. Rudland

* Executive

MAIN BOARD

C. Matigimu
B. G. Manyenyeni
T. A. Taylor

MAIN BOARD COMMITTEES

AUDIT, FINANCE AND RISK COMMITTEE

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

* (by invitation)

STRATEGY COMMITTEE

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

HUMAN RESOURCES AND REMUNERATION COMMITTEE

H.B.W. Rudland (Chairman)
P. C. Chingoka
B. G. Manyenyeni
G. R. Smith*

*(by invitation)

NOMINATIONS COMMITTEE

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

PROPERTY COMMITTEE

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

ADMINISTRATION

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

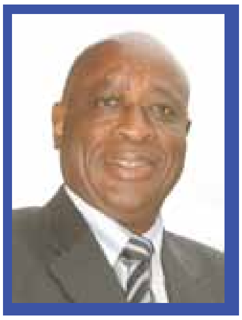
REGISTERED OFFICES
Corner Hood/Hermes Road, Southerton, Harare, Zimbabwe
Telephone: (+263) 4 621 000-14
Facsimile: (+263) 4 621 055
Email: solutions@unifreight.co.zw
Website: www.unifreight.co.zw

PRINCIPAL BANKERS
MBCA Bank Limited
CBZ Bank Limited
NMB Bank Limited

LEGAL ADVISORS
Costa & Madzonga Legal Practationers

COMPANY SECRETARY
Moreblessing Mukamba

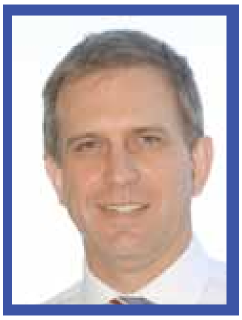
AUDITORS
EY Chartered Accountants (Zimbabwe)



Patrick Chakanetsa Chingoka - Chairman

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. Patrick is currently the longest standing Director. Patrick is a citizen of and resides in Zimbabwe

Gary Smith - Group Chief Executive Officer - Executive Director



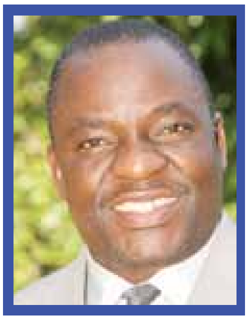
Gary Smith was born in Zimbabwe and was educated at Prince Edward School where he was Head Boy in 1986. He then joined Coopers & Lybrand where he served his articles, completing his B.Compt (Hons) degree through UNISA in 1991. He qualified as a Chartered Accountant in 1992 finishing in the top 5 of his 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 joined the Group on 2 January 2013 as the Group Finance Director and was appointed to Acting Chief Executive Officer in March 2014, a position he held until his appointment to Group Chief Executive Officer on 1 June 2014. He is a citizen of and resides in Zimbabwe.

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. 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. 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.



Clever Matigimu - Non Executive Director

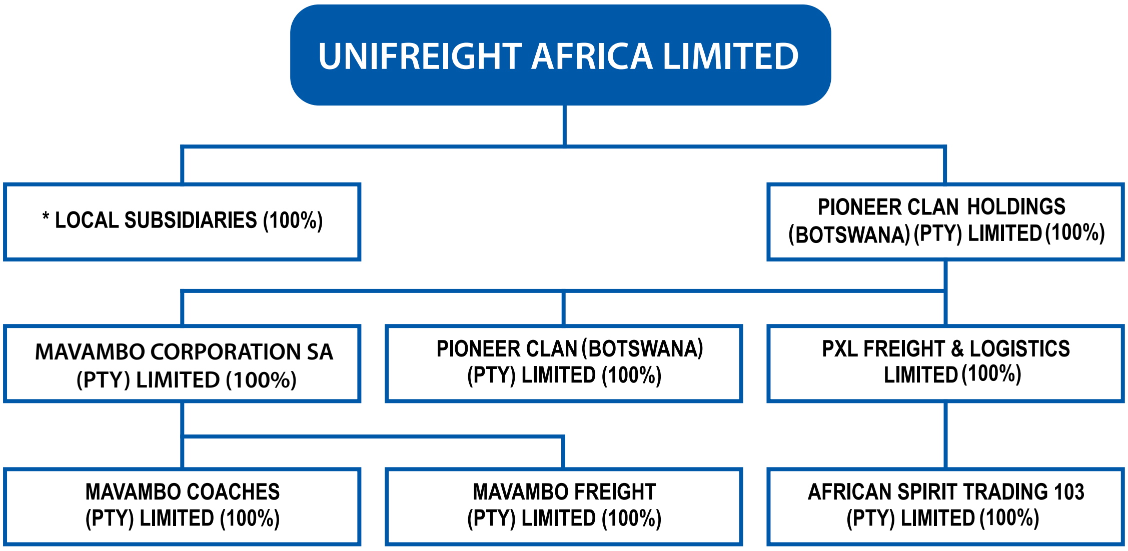
Clever Matigimu has 23 years business experience most of which was gained in the short term insurance industry at various levels. He was previously Group Managing Director of SFG Holdings and is a co-founder of SFG Group. He is currently the CEO of the Beemarch Group of Companies, incorporating Beemarch 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 degree. He sat on the Governing Council of the Institute of Chartered Secretaries for a period of six years.

Bernard Gabriel Manyenyeni - Non Executive Director

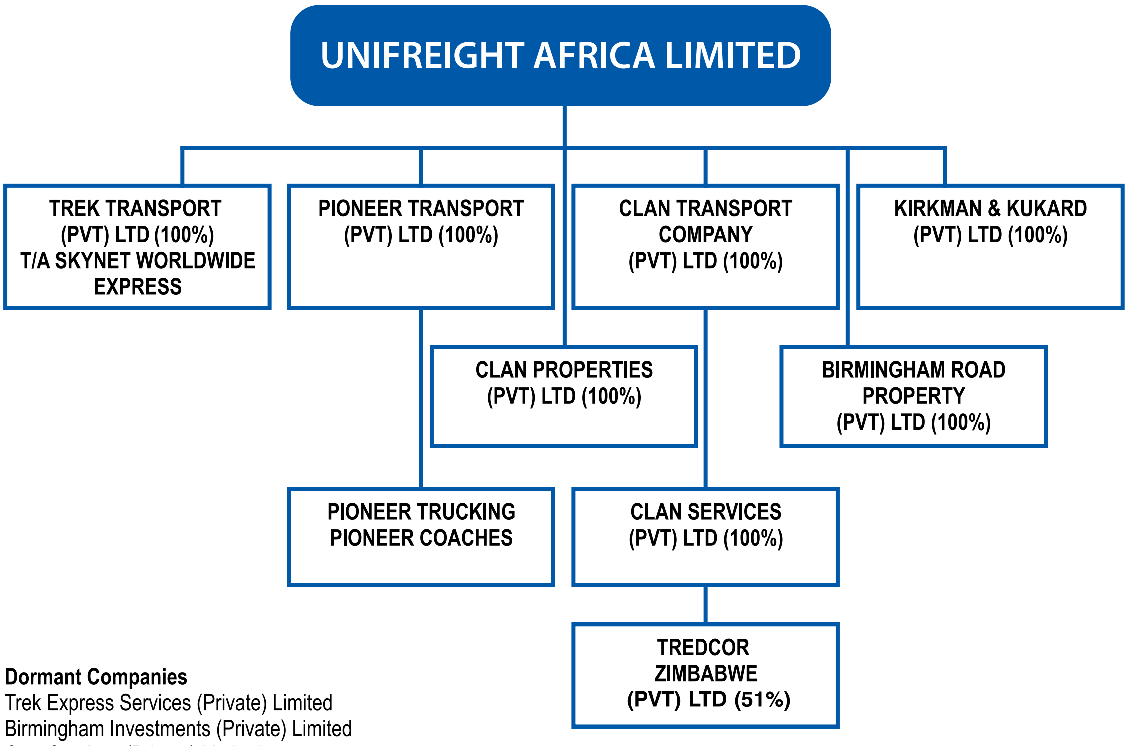
Bernard Gabriel Manyenyeni holds a Masters degree in Strategic Management. He has over 25 years experience at executive level in the financial services sector. His experience has gathered him strengths in corporate governance and business relationship management. He was elected into Council for Mount Pleasant in July 2013 before being elected Mayor of Harare in September 2014. His other directorships are in a number of 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.



Dormant Companies
Mavambo Corporation SA (Proprietary) Limited
Mavambo Freight (Proprietary) Limited



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

Unifreight Africa Limited
Holding company and operating company for Swift, Bulwark and Engineering divisions

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 (Proprietary) Limited
Cross border coach service South Africa / Zimbabwe.

Pioneer Clan (Botswana) (Proprietary) Limited
Cross border road freight haulage.

PXL Freight and Logistics Limited
Cross border road freight haulage and logistics.

African Spirit Trading 103 (Proprietary) Limited
Cross border road freight haulage and logistics.

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

Tredcor Zimbabwe (Private) Limited trading as Trentyre
Tyre retreading and retail sales of new and second-hand tyres and accessories.

Corporate

Clan Properties (Private) Limited	Property Owning
Kirkman & Kukard (Private) Limited	Property Owning
Birmingham Road Property (Private) Limited	Property Owning
Clan Transport Company (Private) Limited	Investment Company
Birmingham Investments (Private) Limited	Investment Company
Clan Services (Private) Limited	Investment Company
Pioneer Clan Holdings (Botswana) (Proprietary) Limited	Investment Holding Company

P C Chingoka - Chairman

Overview

The strategy to acquire the Unifreight operating assets and their subsequent incorporation into the Group in 2014 has started to have a positive impact in spite of the challenging economic environment. Liquidity challenges coupled with a deflationary economy continue to exert pressure on the business to explore strategies to overcome these challenges.

In December 2014 the Board of Directors resolved to restructure the Group with a view to repositioning itself for future growth and profitability. These decisions resulted in the closure of Pioneer Clan (Botswana) (Pty) Limited as of 31 December 2014, the sale of Pioneer Transport (Pvt) Limited to the employees of that company with effect from 1 January 2015 subject to regulatory approvals and the separation of Pioneer Coaches into its own company pending potential sale of the business in 2015. This has therefore required that the results of the Group be split between Continuing Operations and Discontinued Operations on the Statement of Comprehensive Income in 2014 and restatement of the 2013 figures. In addition, the year 2014 saw the Group obtaining a controlling interest in Tredcor Zimbabwe (Pvt) Limited trading as Trentyre, with the purchase of an additional 10% shareholding in that business as at 1 October for a nominal USD 400.

Financial Performance

In 2014 the Group recorded an operating profit of USD 1,735 million from continuing operations compared to USD 599,000 in 2013. However the Group reported a net loss after taxation of USD 233,000 in 2014. The net loss is mainly attributable to the impairment of goodwill of USD 2,505 million which arose on the acquisition of Tredcor Zimbabwe (Pvt) Limited. The Board made a decision to fully impair the goodwill as the fair value of the liabilities of that business exceeded the fair value of the assets on acquisition date and the business has negative projected cash flows. The net profit after taxation in 2013 of USD 2,329 million was due to a gain on the purchase of the business of Unifreight Limited of USD 2,456 million. Shareholders wrote off discontinued operations' loans amounting to a total of USD 5 million, reported under other income. This resulted in the said operations recording an after taxation profit of USD 1,507 million in 2014, compared to a loss after taxation of USD 3,601 million in 2013.

The overall effect of the above was a Profit for the year attributable to shareholders of USD 1,372 million compared to a Loss of USD 1,272 million recorded in 2013 and a positive basic earnings per share in 2014 of 1.70 United States cents.

Outlook

The Group has continued to streamline and align costs throughout its remaining operations and the on-going re-capitalization of the business will result in improved operational efficiencies and increasingly strong brands for our customers.

As a result of our continued investment into our brands, improvement in our service delivery and the addition of new and more efficient assets, the Group is optimistic, despite the economic difficulties, that there will be growth in 2015 and a return to sustainable profitability.

Dividend

The Board has not declared a dividend for 2014 in line with the Group's strategy of debt reduction and re-investing into the business.

Late Publication

Management and the Board acknowledges the delay in publishing the Group's results for 2014 with the main reason being the restructuring of the Group as highlighted earlier and the extra work and time required to ensure full disclosure thereof.

Appreciation

On behalf of the Board, I would like to thank management, staff and other stakeholders for their continued support and commitment during this challenging but exciting time.

P C Chingoka
Chairman
9 April 2015

The Directors have pleasure in presenting their report together with the audited financial statements of the Group for the year ended 31 December 2014.

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

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

Reserves

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

Directorate

Messr Albert Simbarashe Ushe retired from the Board on 28 February 2014.
Messr Gary Ronald Smith, the Group Finance Director, was appointed the Chief Executive Officer with effect from 1st June 2014.

Directors fees

Members will be asked to approve the payment of Directors' fees in respect of the year ended 31 December 2014.

Auditors

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

For and on behalf of the Board

P. C. Chingoka
Chairman

M.Mukamba
Company Secretary

9 April 2015

Pursuant to Unifreight 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 had one Executive Director and five Non-Executive Directors, four of whom are independent. The Board meets at least quarterly.

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 Unifreight Africa Limited are required to advise in writing of any material interest in any contract of significance with the Group or its subsidiaries. Messr H. B. W. Rudland is a shareholder and director of Scanlink (Private) Limited, 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, Finance and Risk Committee
An independent Non Executive Director chairs the Audit, Finance and Risk 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, business risks and management of 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 until mid 2013. 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 for 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.

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare
Zimbabwe

Tel: +263 4 750905-14 or 750979-83
Fax: +263 4 750707 or 773842
E-mail: admin@zw.ey.com
www.ey.com

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Unifreight Africa Limited, as set out on pages 4 to 35 which comprise the consolidated statement of financial position as at 31 December, 2014, the consol idated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03), 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 consolidated 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 judgment, 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 control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

Opinion

In our opinion, the consolidated and company financial statements present fairly, in all material respects, the financial position of Unifreight Africa Limited as at 31 December, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to the following matters:

Going Concern Uncertainty

Note 2.1.1 to the financial statements, which indicates that the group reported significant losses in the past 4 years and incurred a loss for the year ended 31 December 2014 from continuing operations of US$233 000 (2013: profit of US$2 329 000) and a profit from discontinuing operations of US$1 507 000 (2013: Loss of US$3 601 000). As at that date, the Group had a net current liability position of US$1 305 000 (2013: US$5 849 000). These conditions along with other matters as set forth in Note 2.1.1 to the financial statements indicate the existence of material uncertainty which may cast significant doubt on the group's ability to continue as a going concern.

Borrowing powers
The company's borrowing powers as stipulated by the Company's Memorandum and Articles of Association had been exceeded by US$11 000 000 as at 31 December 2014 (2013: US$6 531 000) as disclosed in detail in Note 16 to the financial statements.

Report on Other Legal and Regulatory Requirements
In our opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03).

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE
27 April 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

	Notes	2014 USD 000	2013 USD 000
ASSETS			
Non current assets		**22,266**	**27,696**
Property, vehicles and equipment	6	14,219	21,405
Investment property	7	6,547	4,791
Intangible assets	8	1,500	1,500
Current assets		**11,386**	**7,609**
Inventories	11	2,898	1,060
Trade and other receivables	12	8,012	6,195
Current income tax asset		11	-
Cash and bank balances	13	465	354
Assets held for sale	31	6,810	-
TOTAL ASSETS		**40,462**	**35,305**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent		**6,146**	**7,414**
Share capital	14	1,064	549
Share premium	14	2,060	-
Non distributable reserve	14	5,782	8,357
Revaluation reserve	14	1,232	1,232
Foreign currency translation reserve	14	(778)	(693)
Shareholders loans	16	320	2,875
Accumulated loss		(3,534)	(4,906)
Non controlling interest	30	(2,505)	-
Total equity		**3,641**	**7,414**
Non current liabilities		**17,320**	**14,433**
Borrowings	16	6,442	7,615
Other payables	15	8,028	3,657
Purchase of business	30	1,437	1,115
Deferred income tax liabilities	17	1,413	2,046
Current liabilities		**11,098**	**13,458**
Trade and other payables	15	6,582	9,266
Purchase of business	30	-	537
Current income tax liabilities		-	200
Borrowings	16	4,516	3,455
Liabilities directly associated with the assets held for sale	31	8,403	-
TOTAL EQUITY AND LIABILITIES		**40,462**	**35,305**

These financial statements were approved by the Board on 9 April 2015 and signed on it's behalf by:

P.C. Chingoka
Chairman

G.R. Smith
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2014

	Notes	2014 USD 000	2013 USD 000
Continuing operations			
Revenue	5	**29,271**	**3,677**
Cost of sales	20	(11,387)	(1,650)
Gross profit		**17,884**	**2,027**
Other operating income	19	760	1,339
Distribution expenses	20	(654)	(78)
Administrative expenses	20	(13,242)	(2,320)
Other operating expenses	20	(2,975)	(364)
Write-off of vehicles and equipment	20	(38)	(5)
Operating profit		**1,735**	**599**
Finance costs	22	(340)	(2)
Gain on business purchase	30	-	2,456
Impairment of goodwill	9	(2,505)	-
(Loss)/profit before taxation from continuing operations		**(1,110)**	**3,053**
Income tax credit/(expense)	23	877	(724)
(Loss)/profit for the year from continuing operations		**(233)**	**2,329**
Discontinued operations			
Profit/(loss) after tax for the year from discontinued operations	31	1,507	(3,601)
Profit/(loss) for the year		**1,274**	**(1,272)**
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(85)	(281)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation surplus on property, vehicles and equipment, net **of** tax		-	23
Other comprehensive loss for the year, net of tax		**(85)**	**(258)**
Total comprehensive income/(loss) for the year, net of tax		**1,189**	**(1,530)**
Profit/(loss) for the year attributable to:			
Owners of the parent		1,372	(1,272)
Non-controlling interest		(98)	-
		1,274	(1,272)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		1,287	(1,530)
Non-controlling interest		(98)	-
		1,189	(1,530)
Earnings per share	24		
- Basic, profit/(loss) for the year attributable to ordinary equity holders of the parent (cents)		1.70	(2.31)
- Diluted, profit/(loss) for the year attributable to ordinary equity holders of the parent (cents)		1.70	(2.31)
Earnings per share for continuing operations			
- Basic, (loss)/profit for the year attributable to ordinary equity holders of the parent (cents)		(0.16)	4.24
- Diluted, (loss)/profit for the year attributable to ordinary equity holders of the parent (cents)		(0.16)	4.24

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2014

	Attributable to equity shareholders of the parent								
	Share capital USD 000 (note 14)	Share premium USD 000 (note 14)	Non-distributable reserves USD 000 (note 14)	Revaluation reserve USD 000 (note 14)	Foreign currency translation reserve USD 000 (note 14)	Shareholders loans USD 000 (note 16)	Accumulated loss USD 000	Non controlling interest USD 000 (note 30)	Total equity USD 000
Year ended 31 December 2013									
Balance as at 1 January 2013	**549**	**-**	**4,762**	**1,209**	**(412)**	**2,875**	**(3,634)**	**1,020**	**6,369**
Comprehensive (loss)/income									
(Loss) for the year	-	-	-	-	-	-	(1,272)	-	(1,272)
Purchase of business (note 30)	-	-	2,575	-	-	-	-	-	2,575
Buy-out of non-controlling interest (note 30)	-	-	1,020	-	-	-	-	(1,020)	-
Other comprehensive income									
Currency translation differences	-	-	-	-	(281)	-	-	-	(281)
Revaluation of property, vehicles and equipment (net of tax)	-	-	-	23	-	-	-	-	23
Total comprehensive income	-	-	3,595	23	(281)	-	(1,272)	(1,020)	1,045
Balance as at 31 December 2013	**549**	**-**	**8,357**	**1,232**	**(693)**	**2,875**	**(4,906)**	**-**	**7,414**
Year ended 31 December 2014									
Balance as at 1 January 2014	**549**	**-**	**8,357**	**1,232**	**(693)**	**2,875**	**(4,906)**	**-**	**7,414**
Transaction with Shareholders									
Shareholder loans transferred to equity (note 16)	-	-	-	-	-	2,445	-	-	2,445
Shareholder loans forgiven and transferred to profit or loss (note 16 and note 30)	-	-	-	-	-	(5,000)	-	-	(5,000)
Comprehensive income/(loss)									
Profit/(loss) for the year	-	-	-	-	-	-	1,372	(98)	1,274
Acquisition of subsidiary (note 30)	-	-	-	-	-	-	-	(2,407)	(2,407)
Transfer on issue of shares (note 14)	515	2,060	(2,575)	-	-	-	-	-	-
Other comprehensive income									
Currency translation differences	-	-	-	-	(85)	-	-	-	(85)
Total comprehensive income	**515**	**2,060**	**(2,575)**	**-**	**(85)**	**(2,555)**	**1,372**	**(2,505)**	**(3,773)**
Balance as at 31 December 2014	**1,064**	**2,060**	**5,782**	**1,232**	**(778)**	**320**	**(3,534)**	**(2,505)**	**3,641**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2014

	Notes	2014 USD 000	2013 USD 000
Net cash generated from operating activities		**3,159**	**1,224**
Cash generated from operations	26	3,616	1,268
Interest paid		(416)	(41)
Taxation paid		(41)	(3)
Net cash utilised in investing activities		**(4,174)**	**(2,663)**
Purchase of property, vehicles and equipment to increase operations		(5,785)	(3,193)
Proceeds from sale of property, vehicles and equipment		1,438	455
Acquisition of a business (net of cash acquired) (note 30)		173	75
Net cash utilised in financing activities		**658**	**1,557**
Proceeds from borrowings		10,381	2,390
Repayments of borrowings		(9,723)	(833)
Net (decrease)/increase in cash and cash equivalents		**(357)**	**118**
Cash and cash equivalents at beginning of year		354	196
Net foreign exchange differences		7	40
Cash and cash equivalents at end of year	13	**4**	**354**

1 General information

Unifreight Africa Limited (formerly Pioneer Corporation Africa Limited) was incorporated in Zimbabwe in 1970. It is the holding company of a Group of companies primarily involved in the road transport industry whose main activities include inter-city freight consolidations, the distribution of general goods, an internal courier service, passenger services and new tyre sales and tyre retreading.

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 2015.

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 except for land and buildings that have been measured at fair value.

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 2014 has a net current liability position of USD 1 305m (2013 - USD 5 849m). In addition, at the year end the Group has non-current borrowings totalling USD 6 442m (2013 - USD 7 615m) of which USD 6 383m (2013 - USD 7 294m) is due to a major shareholder and a finance lease liability amounting to USD 59k (2013 - USD 321k). 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 2015.

The Groups' operations continue to be significantly affected by the increasingly challenging environment and lack of liquidity which has prevailed in Zimbabwe over the past number of years resulting in reduced activity and a stressed working capital environment.

The steps taken by Directors and management over the past two years to mitigate these conditions near completion.Loss making subsidiaries are being disposed of or closed. Operations and management structures within the Group are being collapsed to ensure lower costs and more efficiencies. The review of cost structures to bring these into line with expected revenues and economic activity in the region continues and fleet replacement and recapitalization remain a key objective of the Group. A strategy review and refocus on profitable businesses and product lines has been implemented.

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 IFRS and amendments to IFRS, relevant to the Group, and effective as of 1 January 2014:

- Investment Entities (Amendments to IFRS 10,IFRS 12 and IAS 27)
- IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
- IAS 36 Impairment of Assets-Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36
- Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39

The adoption of the standards is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

IAS 36 Impairment of Assets-Recoverable Amount Disclosures for Non-Financial Assets - Amendments to IAS 36

The amendments to IAS 36 Impairment of Assets clarify the disclosure requirements in respect of fair value less costs of disposal. The amendments remove the requirement to disclose the recoverable amount for each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant. In addition, the IASB added two disclosure requirements:

- Additional information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal.
- Information about the discount rates that have been used when the recoverable amount is based on fair value less costs of disposal using a present value technique. The amendments harmonise disclosure requirements between value in use and fair value less costs of disposal.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group did not have derivatives during the current year or prior periods and does not apply hedge accounting.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group as it has applied the recognition principles under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with the requirements of IFRIC 21 in prior years.

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.

IFRS 9 Financial Instruments - Classification and measurement

On 24 July 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9-Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The classification and measurement requirements address specific application issues arising in IFRS 9 (2009) that were raised by preparers, mainly from the financial services industry. The expected credit loss model addresses concerns expressed following the financial crisis that entities recorded losses too late under IAS 39.

IFRS 9 stipulates that financial assets are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Apart from the 'own credit risk' requirements, classification and measurement of financial liabilities is unchanged from existing requirements. IFRS 9 is applicable for annual periods beginning on or after 1 January 2018, but early adoption is permitted. The Group is currently assessing the impact of IFRS 9.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers, replaces all existing IFRS revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

The standard is effective for annual periods beginning on or after 1 January 2017, but early adoption is permitted. The Group is still assessing the impact of the standard on its contracts with customers.

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets prohibiting the use of revenue-based depreciation methods for fixed assets and limiting the use of revenue-based amortisation methods for intangible assets. The amendments are effective prospectively. The amendment becomes effective for annual periods beginning on or after 1 January 2016 and will not have any impact on the Group as depreciation is not based on revenue methods.

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 Business Combinations, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments are effective for annual periods beginning on or after 1 January 2016 and must be applied prospectively. The amendments are not expected to affect the Group as it no longer has investments in joint ventures and associates.

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11
The amendments require an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles in IFRS 3, and other IFRSs, that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRSs in relation to business combinations.

The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. Furthermore, the amendments clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business; previously held interests in the joint operation must not be remeasured if the joint operator retains joint control.

The amendments are applied prospectively and are effective for annual periods beginning on or after 1 January 2016. The Group will consider the amendments when it enters into transactions where the amendments are applicable.

Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10.

The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity, associate or joint venture to its interests in subsidiaries.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are not expected to affect the Group as no companies within the Group meet the definition of an investment entity.

IAS 19 Defined Benefit Plans: Employee Contributions - Amendments to IAS 19
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit.

The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

Examples of such contributions include those that are a fixed percentage of the employee's salary, a fixed amount of contributions throughout the service period, or contributions that depend on the employee's age.

The amendments are effective for annual periods beginning on or after 1 July 2014 and are not expected to affect the Group as it does not have defined benefit schemes.

IAS 27 Equity Method in Separate Financial Statements - Amendments to IAS 27
Amendments to IAS 27 Separate Financial Statements allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IAS 39
  Or
- Using the equity method

The entity must apply the same accounting for each category of investments.

The amendments must be applied retrospectively and are effective for year ends beginning on or after 1 January 2016. The parent entity will consider the amendment when it becomes effective.

IAS 1 Disclosure Initiative - Amendments to IAS 1
The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements.

The amendments clarify

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the

statement of financial position and the statement(s) of profit or loss and other comprehensive income.

The amendments are effective for annual periods beginning on or after 1 January 2016 and early application are encouraged.

2010 - 2012 annual cycle of improvements (issued December 2013)

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs that contain changes to 9 standards. The changes are effective from 1 July 2014 either prospectively or retrospectively. A summary of each amendment is described below:

IFRS 2 Share based payment (Amendments to Definitions relating to vesting conditions)

Performance conditions and service conditions are defined in order to clarify various issues. The issues relate to performance conditions which must contain a service condition and a performance target which must be met while the counterparty renders service. The amendment also clarifies that a performance target may relate to the operations of an entity or to those of an entity in the same group. The amendment is effective from 1 July 2014 and is not expected to have a material impact on the Group's financial statements. The Group does not currently have share based payments thus the amendments have no impact on the Group.

IFRS 3 Business Combinations - Scope for joint ventures

The amendment clarifies that joint arrangements are outside the scope of IFRS 3, not just joint ventures and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. Amendment will not affect the Group as it is currently not party to any joint arrangements. This amendment is effective from 1 July 2014.

IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments. The amendment will not have a material impact on the financial statements of the Group.

IFRS 8 Operating segments

Aggregation of operating segments and reconciliation of the total of the reportable segment assets to the entity's total assets

Operating segments may be combined/aggregated if they are consistent with the core principle of the standard, if the segments have similar economic characteristics and if they are similar in other qualitative respects. If they are combined, the entity must disclose the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The amendment is not expected to impact the Group as no operating segments are currently aggregated.

Reconciliation of the total of the reportable segment assets to the entity's total assets

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment is not expected to affect the Group's segment reporting as no reconciliations are currently presented.

IFRS 13 Fair value measurement - Portfolio exception

The amendment clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is not expected to affect the Group. The amendment is effective from 1 July 2014.

IAS 16 Property, plant and equipment and IAS 38 Impairment - Revaluation method - proportionate restatement of accumulated depreciation

The amendment clarifies that revaluation can be performed by adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. The amendment also clarified that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount of the asset (i.e., gross carrying amount – accumulated depreciation/amortisation = carrying amount).

The amendment to IAS 16.35(b) and IAS 38.80(b) clarifies that the accumulated depreciation/amortisation is eliminated so that the gross carrying amount and carrying amount equal the market value. The Group will need to consider the impact of the amendment when it becomes effective as it does revalue its properties. The amendment is effective from 1 July 2014.

IAS 24 Related party disclosures - Key management personnel

The amendment clarifies that a management entity - an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. Amendment will not affect the Group as it has no management entity providing key management services to the Group. The amendment is effective from 1 July 2014.

IAS 40 Investment property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying investment property or owner occupied property - Amendment to IAS40.

The description of ancillary services in IAS 40 differentiates between investment property and owner occupied property. IFRS 3 is used to determine if the transaction is the purchase of an asset or a business combination. The amendment is not expected to affect the Group and is effective 1 July 2014.

2012 - 2014 Annual improvement cycle (issued September 2014)

In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2014 Cycle, which contains five amendments to four standards, excluding consequential amendments. The amendments are effective for annual periods beginning on or after 1 January 2016. Below is a list of those amendments.

IFRS 7 - Servicing Contracts

Paragraphs 42A - H of IFRS 7 require an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The Board was asked whether servicing contracts constitute continuing involvement for the purposes of applying these disclosure requirements. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

The Group will consider the amendment, where applicable, when it becomes effective.

IFRS 7 - Applicability of the offsetting disclosures to condensed interim financial statements.
In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment, paragraph 44R of IFRS 7 states that 'An entity shall apply those amendments for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods.'

The interim disclosure standard, IAS 34, does not reflect this requirement, however, and it is not clear whether those disclosures are required in the condensed interim financial report.

The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose 'an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report.

The Group will consider the amendments in preparing its interim financial statements when they become effective.

IAS 34 Disclosure of information 'elsewhere in the interim financial report
IAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. However, it is unclear what the Board means by 'elsewhere in the interim financial report'.

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The Group will consider the amendment, when it becomes effective, when preparing its interim financial report.

IAS 19 - Discount rate regional market rates
IAS 19 requires an entity to recognise a post-employment benefit obligation for its defined benefit plans. This obligation must be discounted using market rates on high quality corporate bonds or using government bond rates if a deep market for high quality corporate bonds does not exist. Some entities thought that the assessment of a deep market was based at a country level (e.g., Greece) while others thought it was based at a currency level (e.g., the euro).

The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

The amendment must be applied for annual periods beginning on or after 1 January 2016, with earlier application permitted. The amendment will not affect the Group as the Group does not have defined benefit pension schemes.

IFRS 5 - Changes in methods of disposal
Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.

The amendment must be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

The Group will consider the amendment, if applicable, when they become effective.

2.2 Consolidation, Business Combinations and Goodwill

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Unifreight Africa Limited and its subsidiaries as at 31 December 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

- The contractual arrangement with the other vote

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

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

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

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non controlling interest.
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(b) Business combinations and goodwill

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss.
Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other is classified as equity, it should not be remeasured until it is finally settled within equity.

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

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

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

(c) Associates
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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 profit or loss.

(c) Group companies

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

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

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

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

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

2.5 Property, vehicles and equipment

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

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

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	3 - 7 years
Trailers and tankers	3 - 15 years
Other vehicles	3 - 5 years
Plant and machinery	3 - 7 years
IT equipment	3 - 10 years
Furniture, fittings and office equipment	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. 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.

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

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

2.6 Investment property

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

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

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

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

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

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

2.7 Financial Instruments

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

2.7.1 Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, or available-for-sale financial assets as appropriate. Financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. 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

Subsequent measurement depends on the class of financial asset.

2.7.1 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 profit or loss 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 trade and other payables. Subsequently, financial liabilities are measured at fair value, with the following exceptions:

Interest bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss 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 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.

2.7.5 Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that 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 observable data indicating 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 whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

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

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

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

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 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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 reporting 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 is not recognised if it arises 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 reporting 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.

2.14 Employee benefits

(a) Pension obligations

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

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

(b) Termination benefits

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

(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.

2.15 Provisions

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

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

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

2.16 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, 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 by reference to the stage of completion. Stage of completion is based on days the client has been served of the total contract period. 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.

(c) Dividend income

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

(d) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

2.17 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 asset 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 profit or loss 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.

2.18 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.

2.19 Fair value measurement

The Group measures non-financial assets such as land and buildings, at fair value at each reporting date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.20 Intangible Assets

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

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

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

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

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

2.21 Impairment of non-financial assets

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

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

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

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

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.22 Discontinued operations and assets and liabilities held for sale

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

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

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

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

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

Additional disclosures are provided in note 31. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

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 Strategy 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 2014, if the foreign currencies had weakened by 10% with all other variables held constant, post-tax profit/loss for the year would have been USD 13 567 (2013 - USD 5 948) higher/lower and if the foreign currencies had strengthened by 10% with all other variables held constant, post-tax profit/loss for the year would have been USD 16 582 (2013 - USD 7 269) lower/higher.

At 31 December 2014, if the foreign currencies had weakened by 10% with all other variables held constant, equity would have been USD 876 (2013 - USD 102 959) lower and if the foreign currencies had strengthened by 10% with all other variables held constant, equity would have been USD 1 071 (2013 - USD 125 839) higher.

(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.

At 31 December 2014, 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 46 445 (2013 - USD 556) 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 46 445 (2013 - USD 556) 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, Finance and Risk 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.

3.1 (c) Liquidity risk (continued)

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 2013	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	1,405	4,143	4,255	4,772	14,575
Borrowings	-	1,353	2,102	7,615	11,070
Total liabilities	1,405	5,496	6,357	12,387	25,645
At 31 December 2014					
Liabilities					
Trade and other payables	908	3,519	3,807	7,813	16,047
Borrowings	351	1,941	2,224	6,442	10,958
Total liabilities	1,259	5,460	6,031	14,255	27,005

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 2014, the Group's strategy was to maintain the gearing ratio within 55% to 65% (2013 - 55% to 65%), which was maintained throughout the period. The gearing ratio at 31 December 2014 was 63% (2013 - 59%)

	2014 USD 000	2013 USD 000
Total borrowings	10,958	11,070
Less: cash and cash equivalents	(465)	(354)
Net debt	10,493	10,716
Total equity excluding non controlling interest	6,146	7,414
Total capital	16,639	18,130
Gearing ratio	63%	59%

3.3 Fair value disclosures

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. 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 profit or loss, 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 receivables 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. Refer note 12 for the carrying amount of trade and other receivables and more information on impairment losses.

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

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

(d) Fair value of land & buildings and Investment property
The Group carries land and buildings at revalued amounts with changes in fair value being recognised in Other Comprehensive Income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2014 for investment properties and land and buildings. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. Refer note 6 and note 7 for the carrying amount of land and buildings and investment property as well as the assumptions and estimates used for determining the fair value.

(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 2014, 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.

(f) Impairment of intangible assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable are disclosed and further explained in note 8.

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 profit before taxation.

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 2014, the Group is organised into four main operating segments

- Consolidations, Freight and Services (transport of long haul and in-town deliveries of various commodities including courier services)
- Contracts (transport solutions for specific customers on a regular contractual basis)
- Passenger
- Tyres sales and retreading

In 2014 the segmentation has changed due to the business combinations acquired (note 30) and hence the comparitives have been restated.
Due to the discontinuance of certain operations the passenger segment and the freight segment (partially) have been restated in both years.

The segment results for the year ended 31 December 2014 are as follows

	Consolidation, Freight and Services USD 000	Contracts USD 000	Passenger USD 000	Tyre sales and retreading USD 000	Consolidated USD 000
Total segment revenue	28,423	2,653	-	2,036	33,112
Inter segment revenue	(3,771)	(24)	-	(46)	(3,841)
Total revenue	24,652	2,629	-	1,990	29,271
Segment result:					
Operating profit/(loss)	1,680	252	-	(197)	1,735
Net Finance costs					(340)
Impairment of goodwill (note 9)					(2,505)
Net loss before income tax					(1,110)
Income tax credit					877
Loss for the year from continuing operations					(233)
Statement of financial position at 31 December 2014					
Assets					
Non-current assets	18,598	3,440	-	228	22,266
Current assets	7,440	391	-	3,555	11,386
Total assets	**26,038**	**3,831**	**-**	**3,783**	**33,652**
Liabilities					
Non-current liabilities	10,476	747	-	6,097	17,320
Current liabilities	7,520	779	-	2,799	11,098
Total liabilities	**17,996**	**1,526**	**-**	**8,896**	**28,418**

5 Segment Information (continued)

The segment results for the year ended 31 December 2013 are as follows

	Consolidation, Freight and Services USD 000	Contracts USD 000	Passenger USD 000	Tyre sales and retreading USD 000	Consolidated USD 000
Total segment revenue	8,571	-	-	-	8,571
Inter segment revenue	(4,894)	-	-	-	(4,894)
Total revenue	3,677	-	-	-	3,677
Segment result:					
Operating profit	599	-	-	-	599
Net Finance costs					(2)
Gain on business purchase (note 30)					2,456
Net profit before income tax					3,053
Income tax (charge)					(724)
Profit for the year from continuing operations					2,329
Statement of financial position at 31 December 2013					
Assets					
Non-current assets	13,403	3,855	3,781	6,657	27,696
Current assets	3,981	2,652	597	379	7,609
Total assets	17,384	6,507	4,378	7,036	35,305
Liabilities					
Non-current liabilities	6,096	2,204	1,837	4,296	14,433
Current liabilities	3,368	6,706	2,208	1,176	13,458
Total liabilities	9,464	8,910	4,045	5,472	27,891

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

	2014 USD 000	2013 USD 000
Revenue		
Geographical Zone		
Zimbabwe	24,667	395
Botswana	-	-
South Africa	4,604	3,282
	29,271	3,677
Total assets		
Geographical Zone		
Zimbabwe	31,821	32,193
Botswana	-	823
South Africa	1,831	2,289
	33,652	35,305

The assets are allocated based on where the assets are located.

	2014 USD 000	2013 USD 000
Total liabilities		
Geographical Zone		
Zimbabwe	27,361	25,895
Botswana	-	726
South Africa	1,057	1,270
	28,418	27,891

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 2013				
Cost or valuation	2,033	9,206	633	11,872
Accumulated depreciation	(121)	(2,905)	(355)	(3,381)
Net carrying amount	1,912	6,301	278	8,491
Year ended 31 December 2013				
Opening net book amount	1,912	6,301	278	8,491
Additions	-	3,136	57	3,193
Acquisition of a business (note 30)	-	10,297	1,575	11,872
Revaluation surplus	31	-	-	31
Disposals	-	(772)	(11)	(782)
Depreciation charge	(28)	(1,163)	(68)	(1,259)
Effect of currency movements	-	(118)	(22)	(140)
Closing net carrying amount	1,915	17,681	1,809	21,405
At 31 December 2013				
Cost or valuation	2,064	21,596	2,233	25,893
Accumulated depreciation	(149)	(3,797)	(402)	(4,348)
Effect of currency movements	-	(118)	(22)	(140)
Net carrying amount	1,915	17,681	1,809	21,405
Year ended 31 December 2014				
Opening net book amount	1,915	17,681	1,809	21,405
Additions	-	5,675	110	5,785
Acquisition of a business (note 30)	-	139	117	256
Transfer to Investment property (note 7)	(1,875)	-	-	(1,875)
Disposals	-	(1,924)	-	(1,924)
Assets held for sale (note 31)	(3)	(5,734)	(83)	(5,820)
Depreciation charge	(2)	(3,123)	(456)	(3,581)
Effect of currency movements	(35)	52	(44)	(27)
Closing net carrying amount	-	12,766	1,453	14,219
At 31 December 2014				
Cost or valuation	186	14,822	2,122	17,130
Accumulated depreciation	(151)	(2,108)	(625)	(2,884)
Effect of currency movements	(35)	52	(44)	(27)
Net carrying amount	-	12,766	1,453	14,219

Transfer to Investment Property

Certain land and buildings were reclassified from Property, vehicles and equipment to Investment Property in 2014. This is due to change in the use of the properties from being owner-occupied to being leased out for rentals (note 7).

Fair value measurement of Group's land and buildings

Fair value hierachy	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	**Total Fair Value USD 000**
Land and buildings - 31 December 2014	-	-	-	-
Land and buildings - 31 December 2013	-	-	1,915	1,915

The category of motor vehicles includes vehicles leased by the Group under non-cancellable finance lease arrangements with the following carrying amounts: (note 16).

	2014 USD 000	2013 USD 000
Cost	1,715	4,447
Accumulated Depreciation	(440)	(772)
Net carrying amount	1,275	3,675

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

7 Investment Property

	USD 000
Year ended 31 December 2013	
Opening net carrying amount	4,880
Depreciation charge	(89)
Closing net carrying amount	4,791
At 31 December 2013	
Cost or valuation	5,058
Accumulated depreciation	(267)
Net carrying amount	4,791
Year ended 31 December 2014	
Opening net carrying amount	4,791
Transfer from property, vehicles and equipment	1,875
Depreciation charge	(119)
Closing net carrying amount	6,547
At 31 December 2014	
Cost or valuation	6,933
Accumulated depreciation	(386)
Net carrying amount	6,547

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 and 2014. Fair value of the investment properties (noted below) was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. At the date of revaluation 31 December 2014, the investment properties' fair values are based on valuations performed by Dawn Property Consultancy (Private) Limited, an accredited independent valuer.

The current use of the investment properties have been evaluated as the highest and best use options for the properties.

	2014 USD 000	2013 USD 000
Rental income derived from investment properties	471	311
Direct operating expenses (including repairs and maintenance) generating rental income	(158)	(193)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(39)	(67)
	274	51

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierachy	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	**Total Fair Value USD 000**
Investment property - 31 December 2014	-	-	6,666	**6,666**
Investment property - 31 December 2013	-	-	4,990	**4,990**

8 Intangible asset

	2014 USD 000	2013 USD 000
Carrying Amount at 1 January	1,500	-
Acquired in business combination	-	1,500
Amortisation & Impairment	-	-
Carrying Amount at 31 December	1,500	1,500

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

The intangible asset has been evaluated as having an indefinite useful life as the brand name is very popular in Zimbabwe and is expected to continue as such for the foreseeable future. The Group performed its annual impairment test for its intangible assets with an indefinite useful life and there was no impairment recorded. The intangible asset is under the consolidations, freight and services cash generating unit. The Group based the recoverable amount of the cash generating unit on a value in use calculation. The following key assumptions were used in the value in use calculation:

- Discount rate of 14%
- Growth rates used to extrapolate cash flows beyond the forecast period of 3%

9 Goodwill

	2014 USD 000	2013 USD 000
Carrying Amount at 1 January	-	-
Acquired in business combination (note 30)	2,505	-
Impairment	(2,505)	-
Carrying Amount at 31 December	-	-

The goodwill was acquired in the acquisition of a controlling interest in an associate company Tredcor Zimbabwe (Pvt) Ltd. The goodwill was impaired in full in 2014. The goodwill was created by the net liability position of the acquired business at the time of acquisition. The Directors believe that future profits and cash flows will not be sufficient to recover these losses and hence the decision to impair the goodwill in full in the year of acquisition.

10 Financial instruments by category

	Loans and receivables at amortised cost 2014 USD 000	Loans and receivables at amortised cost 2013 USD 000
Assets as per statement of financial position		
Trade and other receivables (excluding prepayments)	7,823	5,254
Cash and bank balances	465	354
	8,288	5,608

	Other financial liabilities at amortised cost 2014 USD 000	Other financial liabilities at amortised cost 2013 USD 000
Liabilities as per statement of financial position		
Borrowings	9,105	8,374
Finance lease liabilities	1,853	2,696
	10,958	11,070
Trade and other payables (excluding statutory liabilities)	11,519	8,903
Total	22,477	19,973

		2014 USD 000	2013 USD 000
11	**Inventories**		
	Spares and fuel	2,898	1,060

The cost of inventories recognised as expense and included in 'cost of sales' amounted to USD 7 545 016 (2013: USD 346 125)

12 Trade and other receivables

	2014 USD 000	2013 USD 000
Current		
Trade receivables	5,781	4,131
Less: provision for impairment	(577)	(158)
Trade receivables - net	5,204	3,973
Prepayments	109	173
Staff debtors	351	338
VAT receivable	80	768
Other debtors	2,268	943
	8,012	6,195

Trade and other receivables are non-interest bearing and are generally on terms of 30-90 days

As at 31 December 2014 trade and other receivables of USD 6 958 801 (2013 : USD 4 680 925) were fully performing.

As of 31 December 2014, trade and other receivables of USD 864 418 (2013: USD 572 107) 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:

	2014 USD 000	2013 USD 000
Up to 3 months	274	134
3 to 6 months	590	438
Total	864	572

As at 31 December 2014 trade and other receivables of USD 576 976 (2013: USD 158 014) were past due and impaired.

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

Currency	2014 USD 000	2013 USD 000
US Dollar	6,922	4,916
RSA Rand	1,090	982
Botswana Pula	-	297
	8,012	6,195

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:

	2014 USD 000	2013 USD 000
At 1 January	158	238
Write offs	(36)	(238)
Provision for receivables impairment	455	158
At 31 December	577	158

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

13 Cash and cash equivalents

	2014 USD 000	2013 USD 000
Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
Cash at banks and on hand	465	354
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:		
Cash at banks and on hand	465	354
Cash at banks and on hand attributable to discontinued operations	213	-
	678	354
Bank overdrafts	(674)	-
Cash and cash equivalents	4	354

14 Share capital and reserves

Share capital

	Number of shares	Ordinary shares USD 000	Share premium USD 000	Total USD 000
At 31 December 2013	54,976,650	549	-	549
At 31 December 2014	106,474,237	1,064	2,060	3,124

The total number of authorised ordinary shares is 140 000 000 shares.

There are 33 525 763 unissued shares which are under the control of the directors as at reporting date. All issued shares are fully paid.

51 497 587 shares were issued in June 2014 to cover the purchase of the operating assets of Unifreight Limited.

In 2011 the shares were redenominated to USD0.01 per ordinary share and consolidated at 1:10.

Share premium arose in 2014 being the difference between the new shares issued of 51 497 587 shares at a fair value of 5c per share and the nominal value

Reserves

	Non Distributable Reserve USD 000	Revaluaton Reserve USD 000	Foreign Currency Translation Reserve USD 000
At 31 December 2013	8,357	1,232	(693)
At 31 December 2014	5,782	1,232	(778)

Non Distributable Reserve
The reserve arose on the conversion of Zimbabwe dollar balances into the new functional currency of United States Dollars.

Effect of transactions between owners in their capacity as owners is also accounted for in this reserve.

Part payment of the consideration of the purchase of Unifreight is payable through issue of a fixed number of Pioneer Corporation Africa Limited shares. The obligation meets the criteria of being recognised as an equity transaction. The fair value of the shares to be issued amounting to USD2,575m has been accounted for in this reserve in 2013.

14 Share capital and reserves (continued)

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising on the translation of the financial statements of foreign subsidiaries.

Revaluation reserve

The revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

15 Trade and other payables

	2014 USD 000	2013 USD 000
Non current		
Payables due to related parties (note 28)	5,736	1,689
Other payables	2,292	1,968
	8,028	3,657
Current		
Trade payables	3,807	4,149
Trade payables due to related parties (note 28)	168	423
Accrued expenses	371	966
Social security and other statutory liabilities	2,236	3,728
	6,582	9,266

Trade and other payables are non-interest bearing and are normally settled within 30-60 days.

Non-current trade and other payables are non-interesting bearing and will be settled within one to five years.

16 Borrowings

	2014 USD 000	2013 USD 000
Equity		
Shareholders' loans at beginning of year	2,875	2,875
Transfer from shareholders' loans	2,445	-
	5,320	2,875
Shareholders' loans forgiven and transferred to profit and loss	(5,000)	-
	320	2,875
Non-current		
Shareholders' loans	8,828	7,294
Less: Shareholders' loans transferred to equity	(2,445)	-
	6,383	7,294
Finance lease liabilities	59	321
	6,442	7,615
Current		
Shareholders' loans	2,048	240
Finance lease liabilities	1,794	2,375
Bank overdraft	674	576
Other	-	264
	4,516	3,455
Total borrowings	10,958	11,070

The loans are from the major shareholders and are denominated in United States Dollars. Loans received in 2014 from major shareholders are repayable within 3 years with interest at 14% per annum and are unsecured. Loans from prior years are also unsecured, however they are interest-free and have no fixed repayment terms.

The loans from prior years which were transferred to equity were unsecured, interest-free and had no fixed terms of re-payment.

Loans in the amount of USD 2 444 961 were moved to equity as the shareholders have waived their rights to repayment of these loans. All loans are unsecured.

In 2012 loans in the amount of USD 2 297 881 were moved to equity as the shareholders waived their rights to repayment of these loans. All loans were unsecured.

At 31 December 2014 shareholders' loans under equity of USD 4 999 600 were forgiven and transferred to profit and loss.

16 Borrowings (continued)

Finance lease liabilities (note 6)
Lease liabilities relate to finance lease arrangements entered into to procure revenue generating vehicles. The amounts are effectively secured as the rights to the leased asset revert to the lessor in the event of default. The interest rates are between 12-15% and the liabilities will be repaid in full by 2016.

Finance lease liabilities – minimum lease payments	**2014 USD 000**	**2013 USD 000**
Later than 1 year and no later than 5 years	59	321
No later than 1 year	1,876	2,490
Total Future minimum lease payments	1,935	2,811
Less amounts representing finance charges	(82)	(115)
Present value of finance lease liabilities	1,853	2,696

The exposure of the Group's borrowings to interest rates changes and the contractual repricing dates at the end of the reporting period are as follows:

	2014 USD 000	2013 USD 000
Payable within 6 months	2,292	1,353
Payable within 6 -12 months	2,224	2,102
Payable within 1-5 years	6,442	7,615
Total	**10,958**	**11,070**

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

Currency	2014 USD 000	2013 USD 000
US dollar	10,136	10,110
RSA rand	822	597
Botswana pula	-	363
	10,958	11,070

Borrowing powers
In terms of the Company's Articles of Association, at any one time, the aggregated Group borrowings should not exceed the net asset value of the Group. The shareholders of the Company have the powers to approve borrowings exceeding the authorised limit at a General Meeting of the Shareholders. The analysis of the borrowings compared to the authorised limit is as follows :

	2014 USD 000	2013 USD 000
Authorised borrowings per Articles of Association	3,641	7,414
Total borrowings	14,641	13,945
- Continuing operations	10,958	11,070
- Discontinued operations (note 31)	3,363	-
- Shareholders' loans in equity	320	2,875
Excess over borrowing limit	(11,000)	(6,531)

The borrowings exceed the limits as per the Articles of Association by USD 11 000m as at 31 December 2014 (2013 - USD 6 531m). Shareholders will be asked to ratify the excess at the Annual General Meeting.

17 Deferred income tax

The gross movement on the deferred income tax account is as follows :

	2014 USD 000	2013 USD 000
At beginning of year	2,046	1,679
Profit or loss (credit)/charge	(707)	367
Discontinued operations prior year deferred tax assets written back	74	-
At end of year	1,413	2,046

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:

17 Deferred income tax (continued)

	Accelerated tax depreciation 2014 USD 000	Accelerated tax depreciation 2013 USD 000
At 1 January	2,046	1,679
(Credit)/charge to profit or loss	(707)	367
Discontinued operations prior year deferred tax assets written back	74	-
At 31 December	1,413	2,046

18 Retirement benefits

18.1 Defined contribution fund

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

18.2 National Social Security Authority

The Group and all its employees based in Zimbabwe contribute to the National Social Security Scheme promulgated under the National Social Security Act of 1989.The Group's obligation is limited to specific contributions as legislated from time to time.
Contributions to the above funds made during the current year are disclosed in note 21.

19 Other operating income

	2014 USD 000	2013 USD 000
Insurance claims	1	1
Profit on disposal of property, vehicles & equipment	5	3
Pre-acquisition management fees	-	1,024
Sub letting of depots	539	311
Remeasurement of consideration liability	215	-
	760	1,339

The pre-acquisition management fees in 2013 relate to a fee for managing the Unifreight business by Pioneer Corporation Africa prior to the finalization of the transaction in which Pioneer Corporation Africa Limited (now Unifreight Africa Limited) acquired the operating assets of Unifreight Limited.

20 Expenses by nature

	2014 USD 000	2013 USD 000
Fuels and consumables used	5,197	346
Vehicles operating expenses	5,385	1,144
Employee benefits expenses (note 21)	10,546	1,620
Depreciation and amortisation	423	229
Write-off of vehicles and equipment	38	5
Security	595	53
Communication expenses	862	444
Audit fees	121	92
Other professional fees	166	24
Traffic fines on fleet	34	23
Subcontracting	180	143
Licenses and insurance	220	127
Other expenses	4,570	126
Foreign exchange losses	(41)	41
Total cost of sales, distribution, administrative and other operating expenses	28,296	4,417
Disclosed as continued operations on statement of comprehensive income		
Cost of sales	11,387	1,650
Distribution expenses	654	78
Administrative expenses	13,242	2,320
Other operating expenses	2,975	364
Write-off of vehicles and equipment	38	5
	28,296	4,417

Interest and tax paid have been excluded

Depreciation expense for property, vehicles and equipment and investment properties of USD 1 825 017 (2013 - USD 220 419) has been charged in 'cost of sales' and USD 422 872 (2013 - USD 228 688) in administration expenses.

		2014 USD 000	2013 USD 000
21	**Employee benefits expense**		
	Wages and salaries (including executive directors' emoluments)	9,994	1,574
	Retrenchment costs	16	-
	Pension contributions - Defined contribution plan	190	30
	Social security contributions	346	16
		10,546	1,620
	Directors' remuneration:		
	Directors' fees	120	141
	Other emoluments	305	284
		425	425
	Average number of people employed	1,098	489
22	**Finance cost**		
	Interest expense		
	- bank borrowings	73	-
	- shareholders' loans (note 28)	117	-
	- finance leases	146	2
	- other	4	-
		340	2
23	**Income tax**		
	Current income tax (credit)/expense	-	49
	Prior year income tax overprovisions	(170)	-
	Deferred income tax (credit)/charge (note 17)	(707)	675
		(877)	724

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 :

	2014 USD 000	2013 USD 000
(Loss)/profit before tax from continuing operations	(1,110)	3,053
Profit/(loss) before tax from discontinued operations	1,901	(3,910)
	791	(857)
Tax calculated at domestic tax rates applicable to profits in the respective countries	204	(221)
Adjustments in respect of current income tax of previous years	(170)	-
Utilisation of previously unrecognised tax losses	(351)	-
Tax losses for which no deferred tax asset is recognised	291	1,100
Non-taxable income		
- Loans forgiven	(1,287)	-
- Gain on business purchase	-	(632)
Expenses not deductible for tax purposes		
- Impairment of goodwill	645	-
- Other non-deductible expenses	185	168
Tax (credit)/charge	(483)	415
Continuing operations	(877)	724
Discontinued operations	394	(309)
	(483)	415

	2014 USD 000	2013 USD 000

24 Earnings per share

Basic

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

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. In 2013 the company had no category of dilutive potential ordinary shares.

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

	2014 USD 000	2013 USD 000
Profit/(loss) attributable to ordinary equity holders of the parent:		
Continuing operations	(135)	2,329
Discontinued operations	1,507	(3,601)
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings	1,372	(1,272)
Weighted average number of ordinary shares for basic and diluted EPS	80,725,444	54,976,650

There has been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.
To calculate the EPS for discontinued operations (note 31), the weighted average number of ordinary shares for both the basic and diluted EPS is as per above. The following provides the profit/(loss) amount used:

	2014 USD 000	2013 USD 000
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the basic and diluted EPS calculations	1,507	(3,601)

25 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.

26 Cash generated from operations

	2014 USD 000	2013 USD 000
(Loss)/profit before tax from continuing operations	(1,110)	3,053
Profit/(loss) before tax from discontinued operations	1,901	(3,910)
Adjusted for :		
- Impairment of goodwill	2,505	-
- Gain on business purchase	-	(2,456)
- Depreciation and impairment	3,700	1,348
- Loss on disposal of property, vehicles and equipment	443	419
- Net Finance cost	638	55
- Remeasurement of consideration liability	(215)	-
- Bad debts written off	36	238
Changes in working capital:		
- Inventory	139	174
- Trade and other receivables	(2,089)	435
- Trade and other payables	(2,332)	1,912
Cash generated from operations	3,616	1,268

27 Commitments

The Group currently has no additional commitments outside normal trading activities.

Capital commitments approved for 2015 are in the amount of USD 6,252,752 (2013 - USD 5 039 771). None have been contracted for as at 31 December 2014.

28 Related-party transactions

Messr H.B.W. Rudland who is a Director of the Company is also one of 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:

	2014 USD 000	2013 USD 000
(i) Purchase of goods and services from entities controlled by directors		
- Purchase of fuel from Pellston (Private) Limited	828	3,462
- Purchase of spares from Scanlink (Private) Limited	81	347
- Rental charges by Unifreight Limited	584	-
- Interest charges by Holdsworth Holdings (Private) Limited (note 22)	117	12
- Purchase of buses from Scanlink (Private) Limited	875	1,007
	2,485	4,828

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

	2014 USD 000	2013 USD 000
(ii) Year end balance arising from purchases of goods and services		
Payables to related parties		
- Pellston (Private) Limited	-	1,831
- Scanlink (Private) Limited	1	281
- Unifreight Limited	167	-
- Magister Zimbabwe Limited	5,736	-
	5,904	2,112
(iii) Finance lease liabilities		
- Entities controlled by directors - Henroy Trucking (Private) Limited	-	404

The balance relates to a finance lease agreement entered into in 2011 with a company which the major shareholders have an interest in.

	2014 USD 000	2013 USD 000
(iv) Loans from related parties		
Shareholders' loans (note 16)	8,751	7,534

Shareholders' loans of USD 2 444 961 were transferred to equity and in 2012 shareholders' loans of USD 2 297 881 were also transferred to equity.

The major shareholder as at 31 December 2014 has forgiven USD 4 999 600 of these loans and this amount has been transferred to profit and loss.

(v) Directors' shareholdings

Messr H.B.W. Rudland directly or indirectly has a shareholding of 43 611 083 shares.

All other Directors have no shareholdings either directly or indirectly.

	2014 USD 000	2013 USD 000
(vi) Key management compensation		
Salaries and other short term employee benefits	1,389	813
Post-employment benefits	23	14
	1,412	827

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

29 Investments in subsidiaries

Operating Companies	**Business**
Pioneer Clan (Botswana) (Proprietary) Limited (100%) (2013 - 100%)	Cross border freight haulage and logistics
Pioneer Transport (Private) Limited (100%) (2013 - 100%)	Freight and regional coach services
PXL Freight and Logistics Limited (100%) (2013 - 100%)	Cross border freight haulage and logistics
African Spirit Trading 103 (Proprietary) Limited (100%) (2013 - 100%)	Cross border freight haulage and logistics
Mavambo Coaches (Proprietary) Limited (100%) (2013 - 100%)	Regional coach services
Clan Transport Company (Private) Limited (100%) (2013 - 100%)	Road freight within Zimbabwe
Trek Transport (Private) Limited t/a Skynet Worldwide Express (100%) (2013 - 100%)	Courier services
Clan Properties (Private) Limited (100%) (2013 - 100%)	Property-owning
Kirkman & Kukard (Private) Limited (100%) (2013 - 100%)	Property-owning
Birmingham Road Property (Private) Limited (100%) (2013 - 100%)	Property-owning
Clan Services (Private) Limited (100%) (2013 - 100%)	Investment owning
Pioneer Clan Holdings (Botswana) (Proprietary) Limited (100%) (2013 - 100%)	Investment owning
Tredcor Zimbabwe (Private) Limited (51% - note 30) (2013 - 41%)	Tyre sales and retreading

As at 1 October 2014 an additional 10% shareholding in Tredcor Zimbabwe (Private) Limited was acquired giving the Group a controlling interest in that company (note 30). The following figures illustrate the summarised financial information of the Group's investment in Tredcor Zimbabwe (Private) Limited prior to it becoming a subsidiary.

	2014 USD 000	2013 USD 000
Current assets	-	3,106
Non-current assets	-	287
Current liabilities	-	(7,232)
Equity	-	(3,839)
Proportion of the Group's ownership	41%	41%
Carrying amount of the investment	-	(1,574)
Revenue	6,681	5,445
Cost of sales	(5,626)	(4,823)
Administrative expenses	(2,325)	(3,095)
Finance costs	(4)	199
Loss before tax	(1,274)	(2,274)
Income tax expense	-	-
Loss for the period	(1,274)	(2,274)
Group's share of loss for the period	(522)	(932)

The Group has not recognised the share of operating loss of the associate prior to obtaining a controlling interest as the carrying amount of the investment is nil. The cumulative unrecognised share of loss is USD 2 228 147 (2013 - USD 1 705 681)

30 Business combinations and acquisition

Acquisitions in 2014

On 1 October 2014 the Group, through a wholly-owned subsidiary acquired an additional 10% in its associate company Tredcor Zimbabwe (Private) Limited, which is involved in the sale and distribution of Goodyear and other brands of vehicle tyres, re-treading of tyres as well as offering tyre fitting services. The shareholding increased from 41% to 51% as a result of the transaction. The extra investment sought to indigenize the company and take control from the previous foreign majority shareholder who wished to dis-invest from the country. Tredcor Zimbabwe (Private) Limited is a private entity that is not listed on any public exchange. Consideration was in the form of a nominal cash payment of US$400. The fair value of the of the investment in the associate company before it became a subsidiary was nil as a result of the associate being in a net current liability position and was not generating positive cash flows. The 49% minority shareholders interest is shown on the statement of financial position. The 49% is held by Magister Zimbabwe Limited which is a related party.

30 Business combinations and acquisition (continued)

Acquisitions in 2013

On 19 December 2013, the company acquired the business of Unifreight Limited including the operating assets and liabilities, all intellectual property rights to the name SWIFT and information operating systems and technology thereto. The business was acquired to strengthen the transport and logistics network of the company throughout Zimbabwe. Consideration is in the form of issuance of shares in the company to Unifreight Limited plus cash payment for the intellectual property rights and information technology over five (5) and three (3) years respectively.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Tredcor Zimbabwe (Pvt) Ltd (2013 - Unifreight Limited) as at the date of acquisition were:

	2014 Fair value recognised on acquisition USD 000	2013 Fair value recognised on acquisition USD 000
Assets		
Property, vehicles and equipment (note 6)	256	11,872
Cash and bank balances	173	75
Trade and other receivables	706	3,560
Inventories	2,120	907
Intellectual property rights (note 8)	-	1,500
	3,255	17,914
Liabilities		
Trade and other payables	(8,167)	(11,231)
Total identifiable net (liabilities)/assets at fair value	(4,912)	6,683
Gain on purchase	-	(2,456)
Goodwill on purchase (note 9)	2,505	-
Non-controlling interest	2,407	-
Purchase consideration transferred	-	4,227
Purchase consideration		
Shares issued, at fair value	-	2,575
Consideration liability due after 12 months	-	1,115
Consideration liability due within 12 months -	537	
Cash paid	-	-
Total consideration	-	4,227

Impairment of goodwill

The goodwill arose as a result of the assets and liabilities of Tredcor Zimbabwe (Private) Limited fairly valued being negative. The goodwill has been written off in full since it is not probable that the cash generating unit to which the goodwill has been allocated will generate sufficient future cash flows to recover the carrying amount of the goodwill.

Unifreight Limited business combination

In June 2014 the company issued 51,497,587 ordinary shares as consideration for the business of Unifreight Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was USD 0.05 each. The fair value of the consideration given is therefore USD 2,574,879.

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

As at the acquisition date, the fair value of the consideration liability was estimated to be USD 1,652,288. The fair value is determined using discounted cash flow method using the rate of 14%.

30 Business combinations and acquisition (continued)

The transaction was initiated in January 2011 and was only completed end of December 2013 as some regulatory approvals had not been obtained. The consideration was agreed in 2011 and this was not subsequently revised on finalisation of the transaction as the bulk of the transaction requirements had been met in 2011. The business units being acquired continued to grow over the 3 year period when the transaction was awaiting final approval by the regulators and has resulted in the net assets being acquired being significantly higher than the net assets as at January 2011. The non adjustment of the consideration resulted in the gain on bargain purchase of USD 2,456m. The gain on bargain purchase has been recognised on the face of the statement of profit and loss.

Despite the final regulatory approval having been received on 19 December 2013, for accounting purposes the values for the transactions were based on the financial information as at 31 December 2013. Accordingly, no revenue nor profit or loss of the acquiree has been consolidated in the group financial statements in 2013.

Reconciliation of consideration liability	**2014 USD 000**	**2013 USD 000**
At 1 January	1,652	-
Acquisition of a business	-	1,652
Remeasurement of consideration liability	(215)	-
At 31 December	1,437	1,652
Disclosed as:		
Purchase of business		
Non current	1,437	1,115
Current	-	537
	1,437	1,652

Non-Controlling Interest shares acquired in 2013
In January 2013 the Company acquired the minority shares in subsidiaries being Pioneer Clan Holdings (Botswana) (Proprietary) Limited and PXL Freight and Logistics Limited for nil consideration. The non-controlliing interest share of prior years retained earnings of the minorites has now been re-classified in the statement of changes in equity and is now reflected under non-distributable reserves.

31 Discontinued operations

The Board of Directors decided on 4 December 2014 to close its subsidiary Pioneer Clan (Botswana) (Pty) Ltd based in Francistown, Botswana and transfer all assets in that fleet to the Swift fleet in Zimbabwe where it was felt they would make more of a contribution to revenue and profit generation for the Group. This was also as a result of the entity making continued losses and various new labour regulations introduced in Botswana. At the same meeting the Board also resolved to sell Pioneer Transport to the management and workers of that company for Nil value. The Board's decision was made in light of its wish to empower the workers as well as moving away from loss making operations. The closure of Pioneer Clan (Botswana) (Pty) Ltd happened in December 2014 whilst the sale of Pioneer Transport was effective 1 January 2015 despite the Sale and Purchase Agreement only being signed in April 2015.

It was also decided that Pioneer Coaches, which at 31 December formed part of Pioneer Transport (Pvt) Limited be transferred into a new company Pioneer Coaches (Pvt) Limited before the aforementioned sale of Pioneer Transport. The business of Pioneer Coaches will operate as its own legal entity with effect from 1 January 2015 pending sale of the business within the next 12 months. At 31 December 2014 all entities were classified as assets/liabilities held for sale and as discontinued operations. The results of Pioneer Clan (Botswana) (Pty) Ltd, Pioneer Transport and Pioneer Coaches for the year are presented below:

	2014 USD 000	**2013 USD 000**
Revenue	17,105	20,005
Expenses	(19,721)	(23,860)
Operating loss	(2,616)	(3,855)
Finance costs	(300)	(55)
Other income - shareholders' loans forgiven (note 16)	5,000	-
Impairment loss recognised on the remeasurement to fair value less costs to distribute	(183)	-
Profit/(loss) before tax from discontinued operations	1,901	(3,910)
Tax (charge)/credit	(394)	309
Profit/(loss) for the year from discontinued operations	1,507	(3,601)

The major classes of assets and liabilities of Pioneer Clan (Botswana) (Pty) Ltd, Pioneer Transport and Pioneer Coaches classified as held for sale as at 31 December are, as follows:

31 Discontinued operations (continued)

	2014 USD 000	2013 USD 000
Assets		
Property, vehicles and equipment (note 6)	5,638	-
Inventories	144	-
Trade and other receivables	815	-
Cash and bank balances	213	-
Assets held for sale	6,810	-
Liabilities		
Trade and other payables	4,721	-
Deferred tax liability	319	-
Borrowings	3,363	-
Liabilities directly associated with assets held for sale	8,403	-
Net liabilities directly associated with sale	(1,593)	-
The net cash flows incurred by discontinued operations are, as follows:		
Operating	4,236	1,418
Investing	(416)	(2,806)
Financing	(3,715)	1,393
Net cash inflow	105	5
Earnings per share:		
Basic, profit/(loss) for the year from discontinued operations	1.87	(6.55)
Diluted, profit/(loss) for the year from discontinued operations	1.87	(6.55)

32 Events after the reporting period

There are no adjusting or non-adjusting events after the reporting date which have an effect on the financial position of the Group as at the reporting date. However, in reference to note 30 the agreement to sell the subsidiary Pioneer Transport (Private) Limited to the managment and workers as only finalized in April 2015.

COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

	2014 USD 000	2013 USD 000
ASSETS		
Non current assets	**15,267**	**13,384**
Property, vehicles and equipment	13,767	11,884
Intangible asset	1,500	1,500
Current assets	**8,019**	**4,858**
Inventories	1,044	906
Trade and other receivables	5,161	2,734
Amounts owing by subsidiary companies	1,734	1,140
Cash and bank balances	80	78
TOTAL ASSETS	**23,286**	**18,242**
EQUITY AND LIABILITIES		
Equity	**4,991**	**3,869**
Share capital	1,064	549
Share premium	2,060	-
Non distributable reserve	(847)	1,728
Retained income	2,714	1,592
Non current liabilities	**9,308**	**7,610**
Borrowings	5,474	4,239
Trade and other payables	1,797	1,557
Purchase of business	1,437	1,115
Deferred income tax liabilities	600	699
Current liabilities	**8,987**	**6,763**
Trade and other payables	4,530	4,340
Purchase of business	-	537
Amounts owing to subsidiary companies	-	131
Current income tax liabilities	-	28
Borrowings	4,457	1,727
TOTAL EQUITY AND LIABILITIES	**23,286**	**18,242**

These financial statements were approved by the Board on 9 April 2015 and signed on it's behalf by:

P.C. Chingoka
Chairman

G.R. Smith
Chief Executive Officer

	2014 No. of Shareholders	%	2014 No. of Issued Shares	%	2013 No. of Shareholders	%	2013 No. of Issued Shares	%
SIZE OF HOLDING								
1 - 1000	561	58.1%	203,803	0.2%	561	57.6%	203,674	0.4%
1001 - 5000	238	24.6%	530,327	0.5%	241	24.7%	538,268	1.0%
5001 - 10000	61	6.3%	448,445	0.4%	63	6.5%	461,352	0.8%
10001 - 50000	62	6.4%	1,281,795	1.2%	64	6.6%	1,337,378	2.4%
50001 - 500000	29	3.0%	4,316,181	4.1%	30	3.1%	4,797,294	8.5%
500001 and over	15	1.6%	99,693,686	93.6%	15	1.5%	47,638,684	86.9%
	966	100.0%	106,474,237	100.0%	974	100.0%	54,976,650	100.0%
SHAREHOLDERS BY TYPE								
Banks and Nominees	29	3.0%	3,673,698	3.5%	30	3.1%	3,689,763	6.7%
Insurance Companies	2	0.2%	1,210	0.0%	3	0.3%	49,495	0.1%
Other Corporates	156	16.2%	93,293,442	87.6%	163	16.7%	41,234,991	75.0%
Pension Funds	2	0.2%	3,396,041	3.2%	2	0.2%	3,527,412	6.4%
Resident Individuals	748	77.4%	4,348,788	4.1%	745	76.5%	4,171,824	7.6%
Non Resident Shareholders	23	2.4%	1,749,333	1.6%	27	2.8%	2,296,525	4.2%
Deceased Estates	6	0.6%	11,725	0.0%	4	0.4%	6,640	0.0%
	966	100.0%	106,474,237	100.0%	974	100.0%	54,976,650	100.0%

TOP SHAREHOLDERS

2014	Shares	%	2013	Shares	%
Unifreight Limited	51,497,587	48.4%	Drop Hill Investments P/L	10,586,714	19.3%
Drop Hill Investments P/L	10,586,714	9.9%	High Wind Investments P/L	9,125,366	16.6%
High Wind Investments P/L	9,125,366	8.6%	Earnbridge Investments P/L	7,161,452	13.0%
Earnbridge Investments P/L	7,161,452	6.7%	Holdsworth Holdings P/L	4,069,131	7.4%
Holdsworth Holdings P/L	4,069,131	3.8%	National Pension Scheme	3,522,412	6.4%
National Pension Scheme	3,391,041	3.2%	Stanbic Nominees P/L	3,271,865	6.0%
Ramsway P/L	3,388,897	3.2%	Heathier-way Investments P/L	3,200,000	5.8%
Stanbic Nominees P/L	3,271,865	3.1%	Ramsway P/L	2,530,417	4.6%
Heathier-way Investments P/L	3,200,000	3.0%	CPK Holdings Limited	1,595,976	2.9%
Other	10,782,184	10.1%	Other	9,913,317	18.0%
	106,474,237	100.0%		54,976,650	100.0%

SHAREHOLDERS' CALENDAR

Financial Year ended 31 December 2014:

Annual report published	9 April 2015
Abbreviated results press publication	29 April 2015
45th Annual General Meeting	30 June 2015

Financial Year ended 31 December 2015:

Interim results	30 September 2015

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