CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2023

FRONTIER TRANSPORT HOLDINGS LIMITED

Consolidated Annual Financial Statements for the year ended 31 March 2023

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SHAREHOLDERS' DIARY

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CORPORATE INFORMATION

Directors

Executive directors
FE Meyer (chief executive officer)
ML Wilkin (chief financial officer)

Non-executive directors
Y Shaik (chairperson)
TG Govender
JR Nicolella (appointed 3 May 2022)

Independent non-executive directors
L Govender (lead independent director)
NB Jappie
RD Watson

Company name and registration
FRONTIER TRANSPORT HOLDINGS LIMITED
("Frontier" or "the Company" or "the Group")
Incorporated in the Republic of South Africa
Registration number: 2015/250356/06

JSE share code: FTH
ISIN: ZAE000300505

Registered office
103 Bofors Circle, Epping Industria, 7460
(PO Box 115, Cape Town, 8000)

Company Secretary
HCI Managerial Services Proprietary Limited
Suite 801, 76 Regent Road, Sea Point, Cape Town, 8005
(PO Box 5251, Cape Town, 8000)

Auditors
BDO South Africa Incorporated
6th Floor, 123 Hertzog Boulevard, Foreshore, Cape Town, 8001
(PO Box 3883, Cape Town, 8000)

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Sponsor
Investec Bank Limited
100 Grayston Drive, Sandown, Sandton, 2196
(PO Box 785700, Sandton, 2146)

Website address
www.frontiertransport.co.za

SHAREHOLDER SNAPSHOT

Listed below is an analysis of shareholdings extracted from the register of ordinary shareholders at 31 March 2023.

DISTRIBUTION OF SHAREHOLDERS

SHARE RANGE	Number of shareholders	% of shareholders	Number of shares	% of issued capital
1 – 1 000	2 832	63.76%	704 515	0.24%
1 001 – 10 000	1 176	26.47%	4 248 294	1.46%
10 001 – 50 000	341	7.68%	7 034 512	2.42%
50 001 – 100 000	47	1.06%	3 385 889	1.17%
100 001 – 500 000	30	0.68%	6 577 090	2.26%
500 001 – 1 000 000	4	0.09%	2 567 111	0.88%
1 000 001 shares and over	12	0.27%	266 078 386	91.56%
Total	4 442	100.00%	290 595 797	100.00%

TYPE OF SHAREHOLDER

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Bank	4	0.09%	42 689	0.01%
Close corporation	21	0.47%	229 538	0.08%
Endowment fund	4	0.09%	40 550	0.01%
Individual	4 092	92.12%	20 075 682	6.91%
Insurance company	1	0.02%	2 448 934	0.84%
Investment company	20	0.45%	245 180 150	84.37%
Private company	5	0.11%	7 084 686	2.44%
Pension/Provident fund	7	0.16%	171 622	0.06%
Public company	148	3.33%	14 416 652	4.96%
Trust	140	3.15%	905 294	0.31%
Total	4 442	100.00%	290 595 797	100.00%

SHAREHOLDING GREATER THAN 5%

The following beneficial shareholder held, directly or indirectly, 5% or more of the issued shares of the Company.

SHAREHOLDER	Number of shares	% of issued capital
Hosken Consolidated Investments Limited ("HCI")	238 436 809	82.05%

SHAREHOLDER SPREAD

To the best of the knowledge of the directors and after reasonable enquiry, the spread of shareholders at 31 March 2023, was as follows:

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Public shareholding	4 429	99.72%	51 044 435	17.57%
Non-Public shareholding	13	0.28%	239 551 362	82.43%
HCI (direct)	1	0.02%	232 777 041	80.10%
HCI (indirect)	1	0.02%	5 659 768	1.95%
FE Meyer (direct)*	1	0.02%	163 577	0.06%
FE Meyer (indirect)*	4	0.09%	256	0.00%
ML Wilkin (direct)*	1	0.02%	26 324	0.01%
JR Nicolella (direct)*	1	0.02%	5 185	0.00%
JR Nicolella (indirect)*	2	0.05%	9 727	0.00%
TG Govender (direct)*	1	0.02%	87 808	0.03%
TG Govender (indirect)*	1	0.02%	821 676	0.28%
Total	4 442	100.00%	290 595 797	100.00%

*directors

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

The directors of Frontier Transport Holdings Limited ("Frontier" or "the Group" or "the Company") are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the annual financial statements of the Company and the Group and for other information contained herein.

The annual financial statements for the year ended 31 March 2023 have been prepared, in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the South African Companies Act, 71 of 2008, as amended, on the going concern basis and incorporate full and responsible disclosure. The annual financial statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The annual financial statements were prepared under the supervision of the chief financial officer, Mr ML Wilkin CA(SA).

The directors are satisfied that the information contained in the annual financial statements fairly represents the results of operations for the year and the financial position of the Group at year end. The accuracy of the other information included in this report was considered by the directors and they are satisfied that it accords with the annual financial statements.

The directors are also responsible for the Group's system of internal financial controls. The system was developed to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements, the safeguarding of assets, and to prevent and detect misrepresentation and losses.

The directors are of the opinion that the Group will continue as a going concern for the next 12 months.

The financial statements were audited by the independent auditor, BDO South Africa Incorporated, to whom unrestricted access was given to all financial records and related information. The report of the independent auditor is presented on page 12.

Each of the directors, whose names are stated below, hereby confirm that –

(a) the annual financial statements set out on pages 16 to 59, fairly present in all material respects the financial position, financial performance and cash flows of the Company in terms of IFRS;

(b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of the Company; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

The annual financial statements for the year ended 31 March 2023 were approved by the Board of directors on 26 July 2023 and are signed on its behalf by:

FE Meyer
Chief executive officer

ML Wilkin
Chief financial officer

Cape Town
26 July 2023

DECLARATION BY COMPANY SECRETARY

We certify that Frontier Transport Holdings Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2023, all such returns as required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

HCI Managerial Services
Proprietary Limited

HCI Managerial Services Proprietary Limited
Company Secretary

Cape Town
26 July 2023

REPORT OF AUDIT & RISK COMMITTEE

This report is provided by the Audit and Risk Committee ("the Committee") appointed in respect of Frontier Transport Holdings Limited and its subsidiaries ("the Group") for year ended 31 March 2023.

The Committee consists solely of independent non-executive directors being:

- L Govender (Chairperson)
- NB Jappie
- RD Watson

The Committee is a formal committee of the Board appointed by the shareholders and functions within its documented terms of reference, which is reviewed annually. All members of the Committee are independent non-executive directors who act independently and are suitably skilled and experienced. The Committee members are permitted to consult with specialists or consultants subject to Board approval.

The chief executive officer and the chief financial officer attend the meetings as permanent invitees, along with the external and internal auditors. Other directors and members of management are also invited to attend as required.

The Committee performs its duties by holding meetings with key management on a regular basis and by unrestricted access granted to the external and internal auditors.

The Committee met four times during the year under review. At least two non-conflicting members are required to form a quorum. The Committee is expected to hold at least four meetings per financial year. Individual directors' attendance at the Committee meetings is set out below:

Committee member	No. of meetings attended by member
L Govender	4
NB Jappie	4
RD Watson	4

FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

The Committee fulfils an independent oversight role with respect to the Group's Integrated Annual Report, the financial statements and the reporting process, which includes the system of internal financial control. The Committee is ultimately accountable to both the Board and shareholders. The Committee's responsibilities include the statutory duties prescribed by the Companies Act, recommendations by King IV and additional responsibilities assigned by the Board.

The Committee is satisfied that, in respect of the financial period under review, it has performed all the functions required of it by law, including those set out in section 94 of the Companies Act, recommendations by King IV, and in terms of the Committee's terms of reference. In connection with the above, the Committee has:

- satisfied itself that the external auditor is independent of the Group, as set out in section 94(8) of the Companies Act, and suitable for reappointment considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listing Requirements;
- assessed and nominated for re-election at the next annual general meeting, BDO South Africa Incorporated, as the external audit firm, and the appointment of Mrs Fayaz Mohamed as the designated auditor for the following year;
- in consultation with management, agreed the engagement letter, terms, audit plan and budgeted fees for the 2023 financial year;
- considered the nature and extent of non-audit services provided by the external auditor for the financial year ended 31 March 2023 and the fees thereof to ensure the independence of the external auditor is maintained;
- in terms of paragraph 3.84(g)(ii) of the JSE Listings Requirements, satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that the system of internal financial control is effective and forms a basis for the preparation of reliable financial statements;
- reviewed the external audit report on the financial statements and confirmed no reportable irregularities were identified or reported by the external auditor;
- reviewed the accounting policies and consolidated financial statements for the year ended 31 March 2023 and based on the information provided to the Committee, considers the Group complies, in all material aspects, with the requirements of International Financial Reporting Standards, the Financial Reporting Pronouncements (as issued by the Financial Reporting Standards Council), in the manner required by the Companies Act, and the JSE Listing Requirements;
- satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listing Requirements that the chief financial officer, as well as the finance function, has the appropriate expertise and experience; and
- reviewed and ensured that the interim condensed consolidated financial statements of the Group, in respect of the first six-month period of the financial year, complied with all statutory and regulatory requirements.

REPORT OF AUDIT & RISK COMMITTEE

INTERNAL AUDIT

The Committee has oversight of the Group's financial statements and reporting process, which includes the system of internal financial control. It is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties. The Committee is responsible for the appointment of the internal auditors who report directly to the Committee.

The Group has appointed GRIPP Advisory Proprietary Limited to perform the internal audit function. The Committee oversees cooperation between internal and external auditors, and serves as a link between the Board of directors and these functions. In assessing the system of internal control, the Committee reviewed the internal audit reports and interrogated the findings directly with the internal auditors.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is accountable for the process of risk management, and the system of internal control of the Group. The Committee is accountable to the Board for monitoring the risk management process. However, the Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. The Committee's responsibilities in terms of risk are to ensure that:

- management designs, implements and monitors risk management (as approved by the Board);
- risk assessments are performed on an ongoing basis;
- frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks;
- risk responses by management are considered and implemented;
- risk monitoring is continuous; and
- the Board receives assurance regarding the effectiveness of Group risk management.

Risk registers are presented to the Committee, which identify the most significant risks based on likelihood and impact of occurrence, with mitigating controls documented per risk. This is achieved by requiring that subsidiaries report their key risks and responses to the Committee at each Committee meeting. The Chairperson of the Committee reports the most significant risks derived from the above process to the Board.

MATERIAL RISKS

A description of all immediately identifiable material risks which are specific to the Group, its industry and its issued ordinary shares is available on the Company's website at www.frontiertransport.co.za.

PREPARATION AND RECOMMENDATION OF THE FINANCIAL STATEMENTS

The Committee, taking into account the risk of fraud relating to financial reporting, has further considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the Frontier Group finance function, the effectiveness of the internal financial controls and the experience of the senior members of management responsible for the finance function.

In assessing the integrity of the financial statements, the Committee has reviewed the appropriateness of accounting policies, estimates and areas of judgement. The following key audit matters have been identified and were disclosed accordingly in the notes to the financial statements:

Useful lives, residual values and depreciation method of buses	Due to the specialised nature of these assets, and as required by IFRS, the useful lives, residual values and depreciation method attached to these assets are reviewed annually.
Repurchase of service provision	This is based on retrenchment costs that will be payable to employees on completion of the restructuring of the bus industry by the Department of Transport, and is based on management's estimates of the expected economic outflow.

The Committee was satisfied that the processes and pertinent assumptions used in areas of judgement were reasonable and applied appropriately. The Committee was further satisfied that areas of judgement had been reviewed and discussed with the external auditors who agreed with the accounting treatment adopted.

REPORT OF AUDIT & RISK COMMITTEE

The Committee has reviewed the consolidated financial statements of the Group and is satisfied that they comply with International Financial Reporting Standards and the Companies Act, and that the accounting policies used are appropriate.

The Committee has also reviewed a documented assessment by management of the going concern premise of the Group before recommending to the Board that the Group will be a going concern in the foreseeable future.

Based on the information provided, the consolidated financial statements have been recommended for approval by the Board.

L Govender
Chairperson
Audit and Risk Committee
26 July 2023

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the activities of the business together with the consolidated annual financial statements of the Group for the year ended 31 March 2023.

A copy of the annual financial statements of the Company are available on request from the registered office of the Company, during office hours, or via email to info@frontiertransport.co.za.

NATURE OF BUSINESS AND OPERATIONS

The Company is an investment holding company and holds interests in various subsidiaries operating within the transport sector. Its investment holdings are detailed below.

There have been no material changes to the nature of the Group's business from the prior year.

FINANCIAL RESULTS

The results for the year under review are set out fully in the attached consolidated annual financial statements.

CASH DIVIDENDS

The Company declared and paid an interim ordinary dividend for the year ended 31 March 2023 of 22 cents (2022: 20 cents) (gross) per share. The Board declared a final ordinary dividend for the year ended 31 March 2023 of 35 cents (2022: 32 cents) (gross) per share on 25 May 2023 which was paid on 19 June 2023.

SHARE CAPITAL

In terms of the Frontier Group Employee Option Scheme, 595 797 shares were issued during the current financial year (2022: nil). At 31 March 2023, the total shares in issue was 290 595 797.

MAJORITY SHAREHOLDER

The Company's ultimate holding company is Hosken Consolidated Investments Limited holding 82.05% of the issued share capital of the Company at 31 March 2023 (2022: 82.22%).

DIRECTORATE

The directors of the Company who held office during the year under review and at the date of this report are as follows:

Directors	Office	Designation
Mr Y Shaik	Chairperson	Non-executive
Mr FE Meyer	Chief executive officer	Executive
Mr ML Wilkin	Chief financial officer	Executive
Mr TG Govender		Non-executive
Mr JR Nicolella (appointed 3 May 2022)		Non-executive
Mr L Govender	Lead independent	Independent non-executive
Dr NB Jappie		Independent non-executive
Ms RD Watson		Independent non-executive

Mr JR Nicolella was appointed to the board as a non-executive director with effect from 3 May 2022. There were no other changes in directorate during the period under review.

In accordance with the Company's MOI and Section 10.16(g) of the JSE Listing Requirements, one-third of non-executive directors will retire at the forthcoming annual general meeting. In terms of which Ms RD Watson and Dr NB Jappie, being the retiring directors, and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS AND EMOLUMENTS

Details of directors' shareholdings and emoluments appear in note 33, and details of share options awarded to executive directors' appear in note 31.

COMPANY SECRETARY

The secretary of the Company is HCI Managerial Services Proprietary Limited, whose details are set out on the Corporate Information page.

INVESTMENTS

Company	Nature of business	Holding
HPL and R Investments Proprietary Limited	Investment Holding	100%
Golden Arrow Bus Services Proprietary Limited	Transport services	100%
Table Bay Area Rapid Transit Proprietary Limited	Transport services	100%
Sibanye Bus Services Proprietary Limited	Transport services	100%
Frontier Tyres Proprietary Limited	Tyre sales and retreads	100%
Shuttle Up Proprietary Limited	Transport services	90%
Eljosa Travel & Tours Proprietary Limited	Transport services	92.7%
Alpine Truck and Bus Proprietary Limited	Bus, truck and spare part sales	51%
N2 Express Joint Venture Proprietary Limited	Transport services	33.3%

GOING CONCERN

The directors believe that the Group and the Company have adequate financial resources to continue operations for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The Group has no financial covenants imposed by its funders. Based on these cash flow forecasts the directors are of the view that the Group has sufficient liquidity to meet its obligations as currently foreseen in the next financial year.

The directors are not aware of any new material changes that may adversely impact the Group nor are they aware of any material non-compliance with statutory or regulatory requirements which may affect the Group.

AUDITORS

BDO South Africa Incorporated was appointed in office in accordance with section 90 of the Companies Act 71 of 2008 with Mrs Fayaz Mohamed as designated auditor for the year ended 31 March 2023.

OPERATING SEGMENT

The directors have considered the implications of IFRS 8: Operating segments and are of the opinion that the operations of the Group constitute one operating segment, being the provision of passenger transport services within South Africa. Resource allocation and operational management is performed on an aggregate basis. Performance is measured based on profit or loss before tax as shown in internal management reports that are reviewed by the chief operating decision-maker, who is the Group's chief executive officer.

NO MATERIAL CHANGE

There has been no material change in the financial or trading position of the Group since the publication of its provisional results for the year ended 31 March 2023.

DIRECTORS' REPORT

SPECIAL RESOLUTIONS

The following special resolutions were passed by the Company's shareholders at the annual general meeting held on 29 August 2022:

• Granting the Company a general authority to allot and issue the Company's unissued ordinary shares (or to issue options or convertible securities into ordinary shares) for cash, subject to the provisions of the Company's MOI, the Companies Act and the JSE Listing requirements;

• Approval of the fees payable to non-executive directors for their services as directors or as members of the Board sub-committees in respect of the financial period 1 September 2022 until the next annual general meeting of the Company; and

• Granting the Company and the subsidiaries of the Company a general authority contemplated in terms of the JSE Listings Requirement paragraph 5.72, for the acquisition by the Company, or a subsidiary of the Company, of ordinary issued shares issued by the Company; and

• Granting the Company authorisation to provide financial assistance to subsidiaries in accordance with sections 44 and 45 of the Companies Act.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the Company.

SUBSEQUENT EVENTS

On 23 June 2023, the Company issued 271 336 ordinary no par value shares to participants who exercised their options under the Group employee option scheme (see also note 31).

The directors are not aware of any further matter or circumstance arising since the end of the financial year to the date of this report, not otherwise dealt with within the annual financial statements that would affect the operations or results of the Company or the Group significantly.

PREPARER

These annual financial statements were prepared under the supervision of the chief financial officer, Mr ML Wilkin CA(SA).

Independent Auditor's Report

To the Shareholders of

Frontier Transport Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Frontier Transport Holdings Limited and its subsidiaries ("the group") set out on pages 16 to 59, which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Frontier Transport Holdings Limited and its subsidiaries as at 31 March 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Useful lives, residual values and depreciation method of Buses – (Valuation of buses) – Note 3 International Accounting Standard (IAS) 16 *Property, Plant and Equipment* requires management to review and assess the useful lives, residual values, and depreciation method of buses annually. In determining the useful lives, residual values and depreciation method of buses, management applies judgement as follows: a) Useful lives - to determine the period over which the buses are expected to be available for use;	Our audit procedures relating to the assessment of the useful lives, residual values and depreciation method of the buses included, amongst others: • We obtained an understanding of the design and implementation of relevant controls in respect of the determination of the useful life and residual value assessment performed by management; • We recalculated the depreciation charge for the buses; • We assessed the depreciation method, including the policy, with reference to both the calculation and the policy stated in the prior years,

b) Residual values - to determine the estimated amount that the group would currently obtain from the disposal of the buses, after deducting the estimated costs of disposal, if the buses were already of the age and in the condition expected at the end of its useful life; and

c) Depreciation method - to determine the systematic allocation of the depreciable amount over the useful life of the buses.

The valuation of buses, which includes the assessment of useful lives, residual values and depreciation method thereof, was considered to be a matter of most significance in our current year audit of the consolidated financial statements, due to the estimates and judgement applied by management and the significance of the balance to the consolidated financial statements.

- We assessed management's judgements and estimates in determining the useful lives and residual values of the buses by inspecting management's disposal policy, by considering the historical aging of the buses and by considering historical and current aftermarket sales values;
- We evaluated the adequacy of the disclosure against the requirements of International Financial Reporting Standards.

Repurchase of service provision – (Valuation and disclosure) – Note 21

The repurchase of service provision has been recognised in respect of expected estimated retrenchment costs that will be payable to employees on completion of the restructuring of the bus industry by the Department of Transport.

In accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*, the repurchase of service provision has been recognised due to: a) A present obligation, arising from a past event, being the payment of employee costs as a result of a change in the subsidy framework; and b) Resulting in a probable outflow of economic resources namely the costs that will be payable to employees.

In estimating the expected outflow of economic resources, management applied judgement in determining reliable estimates.

Accordingly, the repurchase of service provision was considered to be a matter of most significance to our current year audit of the consolidated financial statements, due to the high degree of estimation, and the significance of the critical judgements applied by management in the calculation of the provision.

Our audit procedures included, amongst others, the following:

- We assessed whether the repurchase of service provision meets the definition of a provision in accordance with IAS 37;
- We obtained an understanding of the design and implementation of relevant controls in respect of the determination of the provision;
- We compared the provision against information noted as part of discussions held with management and those charged with governance;
- We compared management's estimation of the amount payable to each of the various potential outcomes, based on the best information available;
- We tested the mathematical accuracy of the provision.
- We evaluated the adequacy of the disclosure in terms of IAS 37.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the document titled "Frontier Transport Holdings Limited Integrated Report 31 March 2023", the document titled "Frontier Transport Holdings Limited Consolidated Financial Statements for the year ended 31 March 2023" and the document titled " Frontier Transport Holdings Limited formerly Hosken Passenger Logistics and Rail Limited (Registration Number 2015/250356/06) Separate Company Financial Statements for the year ended 31 March 2023", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Consolidated Financial Statements
The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Frontier Transport Holdings Limited for six years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Fayaz Mohamed
Director
Registered Auditor

26 July 2023

119 - 123 Hertzog Boulevard
Foreshore
Cape Town, 8001

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	2023 R'000	2022 R'000
ASSETS			
Non-current assets		**1 613 690**	1 626 129
Property, plant and equipment	3	**1 577 512**	1 588 298
Right-of-use assets	4	**4 828**	5 671
Goodwill	5	**23 940**	23 940
Intangible assets	6	**59**	59
Investment in associate	7	**5 982**	1 743
Deferred tax	8	**1 369**	536
Loan to associate	9	**-**	5 882
Current assets		**796 606**	699 181
Inventories	10	**32 484**	36 015
Trade and other receivables	11	**80 692**	75 977
Current tax receivable		**4 809**	8 949
Cash and cash equivalents	12	**678 621**	578 240
Total assets		**2 410 296**	2 325 310
EQUITY AND LIABILITIES			
Equity		**1 542 770**	1 413 853
Share capital	13	**1 800 083**	1 797 160
Share-based payments reserve	31	**6 432**	4 940
Common control reserve		**(1 800 000)**	(1 800 000)
Reinvestment reserve	14	**98 295**	98 295
Maintenance reserve	15	**28 221**	39 510
Retained income		**1 413 596**	1 286 599
Total equity attributable to equity holders of the parent		**1 546 627**	1 426 504
Non-controlling interest	16	**(3 857)**	(12 651)
Liabilities			
Non-current liabilities		**444 301**	491 967
Lease liabilities	4	**2 399**	1 857
Deferred tax	8	**297 541**	299 301
Borrowings	17	**1 636**	2 619
Instalment sale obligations	18	**80 460**	121 640
Post-employment medical benefit liability	20	**62 265**	66 550
Current liabilities		**423 225**	419 490
Borrowings	17	**1 008**	8 145
Instalment sale obligations	18	**96 504**	92 219
Trade and other payables	19	**218 476**	222 142
Post-employment medical benefit liability	20	**5 172**	5 066
Current tax payable		**9 491**	38
Provisions	21	**92 574**	91 880
Total liabilities		**867 526**	911 457
Total equity and liabilities		**2 410 296**	2 325 310

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2023

	Notes	2023 R'000	2022 R'000
Revenue	22	**2 393 841**	2 080 002
Other income	23	**18 973**	11 989
Operating expenses	23	**(1 954 566)**	(1 644 193)
		458 248	447 798
Depreciation and amortisation	23	**(99 787)**	(92 028)
Investment income	24	**35 583**	15 975
Finance costs	25	**(16 469)**	(19 880)
Profit from equity accounted investment		**7 239**	1 364
Profit before taxation		**384 814**	353 229
Taxation	26	**(107 355)**	(96 452)
Profit for the year		**277 459**	256 777
Profit for the year attributable to:			
Equity holders of the parent		**277 489**	261 199
Non-controlling interest		**(30)**	(4 422)
		277 459	256 777
Earnings per share (cents)	30		
– Basic		**95.55**	90.07
– Diluted		**94.89**	89.52

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	2023 R'000	2022 R'000
Profit for the year	**277 459**	256 777
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
- Actuarial gains on defined benefit plan	**7 990**	5 473
- Taxation relating to actuarial gains on defined benefit plan	**(2 157)**	(1 478)
Other comprehensive income for the year net of taxation	**5 833**	3 995
Total comprehensive income for the year	**283 292**	260 772
Total comprehensive income attributable to:		
Equity holders of the parent	**283 322**	265 194
Non-controlling interest	**(30)**	(4 422)
	283 292	260 772

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Share capital R'000	Reinvest-ment reserve R'000	Sharebased payments reserve R'000	Common control reserve R'000	Maintenance reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to equity holders of the parent R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 April 2021	1 797 160	98 295	2 702	(1 800 000)	35 595	(1 663 408)	1 158 720	1 292 472	(8 229)	1 284 243
Other comprehensive income	-	-	-	-	-	-	3 995	3 995	-	#VALUE!
Profit for the year	-	-	-	-	-	-	261 199	261 199	(4 422)	256 777
Dividends	-	-	-	-	-	-	(133 400)	(133 400)	-	(133 400)
Transfers between reserves	-	-	-	-	3 915	3 915	(3 915)	-	-	-
Effect of equity settled share-based payments	-	-	2 238	-	-	2 238	-	2 238	-	2 238
Balance at 31 March 2022	1 797 160	98 295	4 940	(1 800 000)	39 510	(1 657 255)	1 286 599	1 426 504	(12 651)	#VALUE!
Balance at 1 April 2022	**1 797 160**	**98 295**	**4 940**	**(1 800 000)**	**39 510**	**(1 657 255)**	**1 286 599**	**1 426 504**	**(12 651)**	**1 413 853**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**5 833**	**5 833**		**5 833**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**(156 731)**	**(156 731)**	**-**	**(156 731)**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**277 489**	**277 489**	**(30)**	**277 459**
Issue of equity	**2 923**	**-**	**(2 290)**	**-**	**-**	**(2 290)**	**(2 059)**	**(1 426)**	**-**	**(1 426)**
Transfers between reserves	**-**	**-**		**-**	**(11 289)**	**(11 289)**	**11 289**	**-**	**-**	**-**
Effect of changes in shareholding	**-**	**-**		**-**	**-**	**-**	**(8 824)**	**(8 824)**	**8 824**	**-**
Effect of equity settled share-based payments	**-**	**-**	**3 782**	**-**	**-**	**3 782**	**-**	**3 782**	**-**	**3 782**
Balance at 31 March 2023	**1 800 083**	**98 295**	**6 432**	**(1 800 000)**	**28 221**	**(1 667 052)**	**1 413 596**	**1 546 627**	**(3 857)**	**1 542 770**
Notes	13	14	31		15				16	

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

	Note	2023 R'000	2022 R'000
Cash flows from operating activities		**229 201**	247 453
Cash generated from operations	27	**468 335**	483 010
Investment income received		**32 583**	15 975
Dividends paid		**(156 731)**	(133 400)
Finance costs paid		**(16 469)**	(19 880)
Tax paid	28	**(98 517)**	(98 252)
Cash flows used in investing activities		**(9 496)**	(12 959)
Acquisition of property, plant and equipment	3	**(32 066)**	(12 402)
Proceeds from sale of plant and equipment		**13 435**	11 825
Dividends received from associate		**3 000**	-
Loan to associate repaid/(advanced)	9	**5 882**	(5 882)
Business combinations		**-**	(6 500)
Proceeds from insurance claims	23	**253**	-
Cash flows used in financing activities		**(119 324)**	(154 035)
Funding repaid	29	**(116 949)**	(152 836)
Principal paid on lease liabilities	4	**(2 375)**	(1 199)
Total cash movement for the year		**100 381**	80 459
Cash and cash equivalents at the beginning of the year		**578 240**	497 781
Total cash and cash equivalents at end of the year	12	**678 621**	578 240

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

1.1 Basis of preparation

The consolidated financial statements are presented in accordance with, and comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and effective at the time of preparing these financial statements, Financial Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Listings Requirements and the South African Companies Act, 71 of 2008, as amended.

Unless otherwise stated in the accounting policies set out below, the consolidated annual financial statements have been prepared on the historic cost convention. They are presented in South African Rands, which is the Group and Company’s functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation and Equity accounting

Basis of consolidation

The consolidated annual financial statements include the financial information of the Company and its subsidiaries and associates.

Subsidiaries

Subsidiaries are entities controlled by the Group, where control is when the investor 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. Where the Group’s interest in subsidiaries is less than 100%, the share of equity attributable to outside shareholders is reflected in non-controlling interest. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

Business combinations

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Costs directly attributable to the business combination are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest’s proportionate share of the acquiree’s net assets.

All intra-group transactions, balances, income, expenses and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group’s interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for the non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the statement of changes in equity. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year.

Associates

An associate is an entity over which the investor has significant influence.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

The investment in associate is accounted for using the equity method of accounting and is initially recognised at cost. The Group's share of its associate's post-acquisition profits or losses is recognised in profit or loss. The cumulative post-acquisition movements are recognised against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group's associate has a financial year-end other than 31 March, and therefore is equity accounted using management prepared information on a basis in line with the Group's reporting date and the Group's accounting policies. Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Goodwill

Goodwill is initially measured at cost and is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is subsequently carried at cost less impairment losses and is reviewed for impairment on an annual basis. The recoverable amount is determined by calculating a value in use for each cash generating unit (CGU). If goodwill is assessed to be impaired, that impairment will not subsequently be reversed. For the purpose of impairment testing Goodwill is allocated to cash generating units (CGUs).

1.3 Common control transactions

Acquisitions of subsidiaries which do not result in a change of control of the subsidiaries are accounted for as common control transactions. The Group has made the policy choice to apply predecessor accounting to common control transactions. The principles of predecessor accounting are that no assets or liabilities are restated to their fair values.

The Group incorporates the pre-combination carrying amounts of assets and liabilities of the acquired entity. These amounts include any goodwill recorded at the consolidated level in respect of the acquired entity. No new goodwill arises. The excess of the cost of the acquisition over the Group's interest in the carrying value of the identifiable assets and liabilities of the acquired entity has been recognised in equity. This treatment requires that the comparative figures are presented as if the common control transaction had taken place at the start of the first reporting period presented.

1.4 Segmental 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 reportable operating segments, has been identified as the chief executive officer. Operating segments with similar economic characteristics are aggregated into one reportable segment which reflects the nature of the services provided by the Group.

The directors have considered the implications of IFRS 8: Operating segments, and are of the opinion that the operations of the Group constitute one operating segment, being the provision of passenger transport and related services within South Africa. Resource allocation and operational management is performed on an aggregate basis. Performance is measured based on profit or loss before tax as shown in internal management reports that are reviewed by the chief operating decision maker, who is the Group's chief executive officer.

1.5 Use of estimates, judgements and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Judgement also needs to be exercised in applying the group's accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below.

1. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The Group calculates the loss allowance taking into account historic analysis, existing market conditions, and forward-looking estimates at the end of each reporting period.

Allowance for slow moving, damaged and obsolete inventory

Slow moving inventories and obsolete materials are written down to net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

All MAN, Scania and Volvo parts that are older than 6 months have been provided for at 50% of the value and all parts older than one year have been provided for in full.

Impairment of non-financial assets

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Residual values and useful lives of property, plant and equipment

Due to the specialised nature of the Group's property, plant and equipment, the residual values attached to these assets are reviewed annually. Assumptions and estimates are based on management's experience and market information.

The expected operational life for diesel buses is as follows: commuter buses - 18 years, luxury coaches - 15 years. Electric buses (excluding battery) are expected to have an operational life of 24 years and the battery is expected to have an operational life of 8 years. The estimated residual value of a diesel commuter bus after 18 years is R250 000 (2022: R250 000), for a luxury coach after 15 years is R500 000 (2022: R500 000) and an electric bus after 24 years is R100 000 (2022: n/a). The battery is not expected to have any residual value.

Post-retirement health care benefit

The Group provides a post-retirement health care benefit and therefore recognises an obligation in the statement of financial position.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds.

Repurchase of service provision

The repurchase of service provision is raised in respect of retrenchment costs that will be payable to employees who would be surplus to requirements should the operating of some routes be awarded to third parties.

The amount provided for is based on management's best estimate of the maximum costs payable in accordance with the employees' current conditions of employment. Assumptions have been made in respect of the timing of the service being put out to tender and the extent of the services that would be awarded to third parties.

Deferred income

Deferred income is recognised on unused, multi-journey ticket rides at year-end. Multi-journey tickets allow passengers to purchase either 10 ride or 48 ride products which expire after 30 days and 90 days respectively. In determining the amount of deferred income at year-end, management have calculated a price per outstanding ride based on the latest price per product multiplied by the actual number of rides outstanding per product. Refer also to Accounting policy note 1.17.

1.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that the future economic benefits associated with the specific asset will flow to the company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of profit or loss during the financial period in which they are incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation of property, plant and equipment is provided to write off the gross carrying value, less residual value, on a straight-line basis over their estimated useful lives. Land is not depreciated. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Item	Depreciation method	Depreciation rate
Buses - Diesel		
• Commuter	Straight line	18 years
• Luxury	Straight line	15 years
• Midi	Straight line	8 years
Buses - Electric		
• Commuter (Body and engine)	Straight line	24 years
• Commuter (Battery)	Straight line	8 years
Computers and computerised fare collection equipment	Straight line	3 – 15 years
Equipment		
• Fare collection equipment	Straight line	15 years
• Radio equipment	Straight line	5 years
Furniture and fixtures	Straight line	3 – 6 years
Buildings	Straight line	50 years
Motor vehicles		
• Cars	Straight line	5 years
• Vans	Straight line	4 years
Plant and machinery	Straight line	5 - 10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss. Depreciation ceases once the asset is depreciated to its residual value or the asset is disposed of.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 Intangible assets

Trademarks

Trademarks are recognised initially at cost and are assessed for impairment annually. Trademarks have indefinite useful lives and are carried at cost less impairment.

Computer software

Computer software is recognised at cost and is amortised over two years.

1.8 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

The Group's financial assets comprise:

• Trade and other receivables
• Loan receivable
• Cash and cash equivalents

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group's financial liabilities comprise:
- Borrowings and Instalment sale obligations
- Trade and other payables

The Group's financial assets and liabilities are measured at amortised cost.

Note 37 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

Loan receivable

The loan to associate (note 9) is classified as a financial asset and subsequently measured at amortised cost. A loan receivable is recognised when the Group becomes party to the contractual provisions of the loan. The loan is measured, at initial recognition, at fair value plus transaction costs, if any.

The Group recognises a loss allowance for expected credit losses on loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in the risk since initial recognition of the respective loans.

Trade and other receivables

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions. Trade receivables are recognised at their transaction price in accordance with IFRS 15.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

The Group applies a simplified approach and recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments, as these items do not have a significant financing component. The amount of expected credit losses is updated at each reporting date. Loss allowance for all trade receivables is determined as lifetime expected credit losses (simplified approach). This is the default approach for trade receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within agreed upon contractual terms from the invoice date and failure to engage with the Group on alternative payment arrangement among others are considered indicators of no reasonable expectation of recovery. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

In determining the loss allowance the Group considered, inter alia, disputes with customers, untraceable and slow payers, long overdue accounts, customers handed over to attorneys for collection, customer account recoverability assessments where entities are associate entities within the Group and customers placed under liquidation. Historical data is also assessed to identify indicators of possible default by customers in the Group.

The Group at year-end performs an assessment on the expected credit loss taking into account both customer specific factors and forward-looking information. Specific factors considered were whether the customer had been handed over to attorneys for collection, whether the customer was a governmental institution, the established relationship with the customer and whether the customer was a related entity as defined by IAS 24. Forward looking information considered was the general economic growth rate in South Africa, proposed municipal, provincial and national budget cuts and expected shrinkage in the retail and tourism sector.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 11) and the financial instruments and risk management note (Note 37).

Borrowings and instalment sale obligations (interest bearing borrowings)

Borrowings and instalment sale obligations are classified as financial liabilities subsequently measured at amortised cost.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest bearing borrowings are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method and includes accrued interest.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

These debts expose the Group to liquidity risk and interest rate risk. Refer to Note 37 for details of risk exposure and management thereof.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to Note 37 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value, they are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, is recognised in profit or loss.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except for deferred taxes to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

1.10 Leases

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

A lease liability and corresponding right-of-use asset are recognised on the lease commencement date for all lease agreements where the Group is a lessee except, short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT and office equipment.

Lease liability

A lease liability is initially recognised at the commencement date and measured at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group’s incremental borrowing rate is used. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment.

On initial recognition, the carrying value of the lease liability includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use asset

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

1.11 Inventories

Spares inventories are measured at the lower of cost and net realisable value. Cost is calculated on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of the business less selling expenses. Slow-moving inventories and obsolete materials are written down to net realisable value.

Fuel and oil are measured at the lower of cost and net realisable value. Cost is calculated on a first-in, first-out (FIFO) basis.

1.12 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

Goodwill is tested annually for impairment. Impairment losses relating to goodwill are not reversed. Any impairment is recognised in the statement of profit or loss.

1.13 Equity-settled share based payments

Equity-settled

The Group has granted share options to employees in terms of The Frontier Group Employee Option Scheme. In terms of IFRS 2 these options are fair valued at the date of grant and the fair value determined on the date of grant recognised as an expense over the relevant vesting periods. The fair value of options granted is measured using the Black Scholes valuation model.

1.14 Other reserves

Reinvestment reserve

The reinvestment reserve, is a distributable reserve, which resulted from the surplus on the liquidation of The Golden Arrow Retirement Plan in 1998.

Maintenance reserve

In terms of the contract between Table Bay Area Rapid Transit Proprietary Limited and the City of Cape Town, the buses have to be maintained and returned to the City after the initial contract period of 12 years, in the state and condition they were in as at the vehicle delivery date, fair wear and tear accepted. The current contract runs until October 2025. The payment for the maintenance is by way of the estimated life time cost averaged over the period of the contract. The difference between the actual cost incurred and the amount received, in accordance with the contract, is transferred to the reserve.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid leave, bonuses, and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of bonus payments is recognised as an expense when there is a constructive obligation to make such payments as a result of past performance.

Defined contribution plans

The Group makes payments to industry-managed retirement benefit schemes. The Group has no further payment obligations once the contributions are paid. The contributions are recognised as employee benefit expense in profit and loss in the periods during which the related service is rendered by employees.

Post-retirement medical benefits

Defined benefit plans, within the Group, are post-employment benefit plans under which contributions to Golden Arrow Employees' Medical Benefit Fund (MBF) and Discovery Health are paid, in respect of certain employees and pensioners. These contributions are used to cover outgoings not financed from member contributions.

The cost of providing benefits in respect of retirement health care is determined separately for each plan using the projected unit credit method, with actuarial valuations being carried out at each reporting date. Past service cost is recognised immediately to the extent that the benefits have already vested, or otherwise amortised on a straight-line basis over the average period until the amended benefits become vested. Current service cost and any gain or loss on settlement are recognised in profit or loss.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Actuarial gains and losses, returns on plan assets and any change in the effect of the asset ceiling are recognised in the year in which they arise, in other comprehensive income.

1.16 Provisions and contingencies

Bonus provision

Union employee bonuses are dependent on the rate negotiated with the respective bargaining councils. Other employee bonuses are paid at the discretion of the company. Senior management receive an incentive bonus based on the results of the company. In all cases, payment of a bonus is dependent upon the employee being in the company's service at the date of payment.

Repurchase of service provision

Government indicated in 1997 that its long term objective is to open public passenger transport to competitive tendering. Past experience has shown where government has followed this course of action the resulting tendered cost to government has been considerably higher than the cost under the existing regime, which has delayed the future roll out of this model.

The repurchase of service provision is raised in respect of retrenchment costs that will be payable to employees who would be surplus to requirements should the operating of some routes be awarded to third parties.

The amount provided for is based on management's best estimate of the maximum costs payable in accordance with the employees' current conditions of employment. Assumptions have been made in respect of the timing of the service being put out to tender and the extent of the services that would be awarded to third parties.

A Bus Industry Restructuring Fund was set up in 1999 to compensate employers for these retrenchment costs. As it is currently impracticable to calculate a reliable estimate of the amount that would be paid to qualifying employers, reference has been made to the existence of a contingent asset under Note 35 Contingent asset.

Third party claims provision

Third party claims are legal claims resulting from traffic accidents. The timing and extent of claims settled remains uncertain until settlement occurs. Where the company expects to be reimbursed under an insurance contract, the reimbursement is recognised as a separate asset.

1.17 Revenue and deferred income

The Group derives revenue from the provision of passenger transport, sale of buses and trucks, sale of tyres and vehicle spare parts and automotive repair services, and as such revenue is recognised in profit or loss in the accounting period in which the service is performed in accordance the terms of contracts and tickets sold, and when collections are reasonably assured.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue comprises ticket sales from bus operations, charter hire, shuttle hire, claims in respect of operational contracts with the Department of Transport and the City of Cape Town, sale of buses and trucks, sale of tyres and vehicle spare parts and automotive repair services.

The operational contracts with the Department of Transport and the City of Cape Town are in terms of contracts for the provision of bus services. Revenue is recognised over time when the kilometres in respect of the services have been travelled. These two contracts however differ in how they expose the subsidiary companies to revenue risk. Revenue risk is an industry-accepted term whereby the subsidiary company is required to also collect fares from passengers, in addition to revenue earned from the operational contract, in order for the service to be profitable. The operational contract with the City of Cape Town carries no revenue risk and the subsidiary company operating these services does not collect fares from passengers, whereas the operational contract with the Department of Transport does carry this revenue risk, and although the subsidiary companies operating this service, receive revenue once the kilometres in respect of this service have been travelled, they also charge fares to passengers for using this service. These fares are charged in the form of bus tickets sold. The passenger has the choice to either buy a single journey ticket which is exercisable immediately on sale and is valid for a single ride, or a multi-journey ticket which allows the passenger to use a certain number of rides within a prescribed time period.

Revenue from the sale of single journey tickets is recognised at a point in time.

1. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Revenue from the sale of multi-journey tickets is recognised over time as rides are utilised. Deferred income is recognised on unused rides at year-end on multi-journey tickets. Multi-journey tickets allow passengers to purchase either 10 ride or 48 ride products which expire after 30 days and 90 days respectively. In determining the amount of deferred income at year-end, management have calculated a price per outstanding ride based on the latest price per product multiplied by the actual number of rides outstanding per product.

Charter hire revenue comprises the rental of buses to individual customers for private use. Revenue from charter hire is recognised at a point in time when the service has been rendered. Deferred income is recognised on amounts received for charter hires operated subsequent to year end.

Shuttle hire revenue comprises the rental of shuttles to transport passengers on required routes. Revenue from shuttle hire is recognised at a point in time when the service has been rendered.

Revenue from the sale of used buses and trucks and the sale of aftermarket vehicle spare parts and tyres is recognised at a point in time when the goods have been delivered to the customer.

Revenue from bus or vehicle repairs and maintenance is recognised at a point in time when the service has been rendered. Other revenue comprises revenue from sale of scrap, advertising, training and sundry income (Refer to note 22).

1.18 Interest income

Interest is recognised, in profit or loss, using the effective interest rate method.

1.19 Dividends

Dividend distributions to equity holders of the parent are recognised as a liability in the annual financial statements in the period in which the dividends are approved by the Board. Dividends declared after the reporting date are not recognised, as there is no present obligation at the reporting date.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Adoption of new and revised standards

The following applicable amendments have been adopted by the Group in the current year:

- **Annual Improvements to IFRS: 2018-2020 Cycle**

The amendments to IFRS 1, IFRS 9, and IAS 41 are all effective for annual periods beginning on or after January 1, 2022.

- **Conceptual Framework for Financial Reporting (Amendments to IFRS 3)**

The amendment adds an exception that requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)**

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision).

- **IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The adoption of these new and revised standards have had no material impact on the underlying financial results of the Group.

2.2 Standards and interpretations not yet effective

The below applicable interpretations and amendments have been issued by the International Accounting Standards Board (IASB) but were not yet effective at 31 March 2023.

The directors do not expect the below standards to have a material quantitative effect, although they may affect disclosure information in the annual financial statement. The Group has chosen not to adopt any of the below standards and interpretations earlier than required.

Amendments to the following standards:

Standard	Anticipated adoption date
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	**01 April 2024**
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	**01 April 2024**
IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)	**01 April 2024**
IAS 1 Presentation of Financial Statements (Amendment - Disclosure of Accounting Policies)	**01 April 2023**
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	**01 April 2023**
IAS 12 Income Taxes (Amendment - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	**01 April 2023**

3. PROPERTY, PLANT AND EQUIPMENT

	2023			2022		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Buses	2 073 397	(918 006)	1 155 391	2 066 689	(890 894)	1 175 795
Computers and computerised fare collection equipment	85 585	(42 881)	42 704	91 210	(42 864)	48 346
Fare collection equipment	137	(137)	-	5 309	(5 309)	-
Furniture and fixtures	6 568	(5 980)	588	6 359	(5 705)	654
Land and buildings	355 958	-	355 958	349 417	-	349 417
Leasehold improvements	534	(397)	137	264	(183)	81
Motor vehicles	33 341	(19 688)	13 653	27 310	(18 522)	8 788
Plant and machinery	39 115	(30 238)	8 877	33 733	(28 781)	4 952
Radio equipment	2 181	(1 977)	204	2 152	(1 887)	265
Total	2 596 816	(1 019 304)	1 577 512	2 582 443	(994 145)	1 588 298

Reconciliation of property, plant and equipment – 2023

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairment loss R'000	Closing balance R'000
Buses	1 175 795	82 483	(11 988)	(83 303)	(7 596)	1 155 391
Computers and computerised fare collection equipment	48 345	882	-	(6 173)	(350)	42 704
Fare collection equipment	-	-	-	-	-	-
Furniture and fixtures	654	210	-	(276)	-	588
Land and buildings	349 417	6 541	-	-	-	355 958
Leasehold improvements	81	270	-	(214)	-	137
Motor vehicles	8 788	8 161	(203)	(3 093)	-	13 653
Plant and machinery	4 952	5 381	-	(1 456)	-	8 877
Radio equipment	266	72	-	(134)	-	204
	1 588 298	104 000	(12 191)	(94 649)	(7 946)	1 577 512

Reconciliation of property, plant and equipment – 2022

	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Disposals R'000	Depreciation R'000	Impairment loss R'000	Closing balance R'000
Buses	1 256 254	12 704	-	(6 271)	(82 213)	(4 679)	1 175 795
Computers and computerised fare collection equipment	54 120	658	300	(7)	(6 399)	(327)	48 345
Fare collection equipment	-	-	-	-	-	-	-
Furniture and fixtures	652	120	134	-	(252)	-	654
Land and buildings	342 864	6 553	-	-	-	-	349 417
Leasehold improvements	127	4	-	-	(50)	-	81
Motor vehicles	4 219	4 789	1 732	(52)	(1 900)	-	8 788
Plant and machinery	1 596	338	3 949	-	(931)	-	4 952
Radio equipment	410	-	-	-	(144)	-	266
	1 660 242	25 166	6 115	(6 330)	(91 889)	(5 006)	1 588 298

Bus additions to the value of R71 934 000 (2022: R12 764 000) were financed by instalment sale agreements and are therefore not reflected as cash flows from investing activities.

3. *PROPERTY, PLANT AND EQUIPMENT (continued)*

No depreciation has been provided for on buildings as the residual values exceeds the carrying amount.

Instalment sales are secured by buses with a book value of R176 963 000 (2022: R213 859 000). See also note 18.

The impairment of buses with a net book value of R7 596 000 relates to the destruction of 11 Golden Arrow buses during the year (2022: R4 679 000 related to the destruction of 7 Golden Arrow buses). R4 645 000 (2022: R2 465 000) is receivable from insurance proceeds (refer to note 11).

4. LEASES

The Group recognises right-of-use assets and lease liabilities in relation to the lease of three properties (2022 : two properties).

Reconciliation of right-of-use assets	2023 R'000	2022 R'000
Carrying value at the beginning of the year	5 671	25 295
Additions	4 296	2 681
Remeasurement of lease	-	(22 166)
Depreciation	(5 139)	(139)
Carrying value at the end of the year	4 828	5 671

The right-of-use assets are depreciated on a straight-line basis over the term of the lease (2022: over the term of the lease).

Reconciliation of lease liabilities	2023 R'000	2022 R'000
Carrying value at the beginning of the year	3 193	23 877
Finance costs	410	2 121
Lease payments	(2 786)	(3 320)
Additions	4 296	2 681
Remeasurement of lease	-	(22 166)
Carrying value at the end of the year	5 113	3 193

Of which:	2023 R'000	2022 R'000
Current (included in Trade and other payables)	2 714	1 336
Non-current	2 399	1 857
	5 113	3 193

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. Subsequently, the lease liability increased as a result of interest charged at a constant rate on the balance outstanding and is reduced by lease payments made.

Included in profit for the period is R5 139 000 (2022: R139 000) of depreciation on the right-of-use assets and R410 000 (2022: R2 121 000) of finance costs on the lease liabilities. Short-term and low-value leases included in operating expenses were R3 147 000 (2022: R3 372 000) and R442 000 (2022: R437 000) respectively. Lease payments of R2 786 000 (2022: R3 320 000) were recognised in respect of the lease liability, of which R2 375 000 (2022: R1 199 000) related to the principal amount.

The table below analyses the Group's lease liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2023	Less than 1 year R'000	Between 1 and 5 years R'000	Over 5 years R'000	Total R'000
Lease liabilities	3 046	2 491	-	5 537

4. LEASES (continued)

31 March 2022	Less than 1 year R'000	Between 1 and 5 years R'000	Over 5 years R'000	Total R'000
Lease liabilities	1 513	2 003	-	3 516

Commitments relating to low value leases	2023 R'000	2022 R'000
As lessee		
Minimum lease payments due		
– Within one year	178	170
– in second to fifth year inclusive	484	662
	662	832

Operating lease commitments reflected in the table above relate to future lease charges on the Group's low value leases.

The aggregate undiscounted commitments for short-term leases amount to R3 802 000 at 31 March 2023 (2022: R1 766 000).

5. GOODWILL

	2023			2022		
	Cost R'000	Accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated impairment R'000	Carrying value R'000
Goodwill	28 187	(4 247)	23 940	28 187	(4 247)	23 940

Reconciliation of goodwill - 2023	Opening balance R'000	Impairment R'000	Closing balance R'000
Goodwill	23 940	-	23 940

Reconciliation of goodwill - 2022	Opening balance R'000	Impairment R'000	Additions through business combinations R'000	Closing balance R'000
Goodwill	27 298	(4 247)	889	23 940

In the prior year, goodwill arose on the acquisition of a controlling interest in Frontier Tyres Proprietary Limited on 1 March 2022 and was attributed to the benefit of expected revenue growth.

Goodwill relates to the Group's interests in the following subsidiaries:

Sibanye Bus Services	R18 647 000 (2022: R18 647 000)
Eljosa Travel and Tours	R4 204 000 (2022: R4 204 000)
Frontier Tyres	R889 000 (2022: R889 000)
Shuttle Up	R200 000 (2022: R200 000)

5. GOODWILL (continued)

The value of cash-generating units (CGUs) to which goodwill has been allocated has been determined based on value-in-use calculations using management-generated cash flow projections for Eljosa Travel and Tours Proprietary Limited, Sibanye Bus Services Proprietary Limited, Frontier Tyres Proprietary Limited and Shuttle Up Proprietary Limited. The value-in-use calculations were performed per CGU using inputs within the below ranges. The following were the principal assumptions, based on past experience and risk growth profile in similar industries, that were used to calculate the value of those CGUs:

	Eljosa Travel and Tours & Shuttle up	Sibanye Bus Services	Frontier Tyres
Pre-tax discount rates:	12.37% (2022: 11.56%)	12.37% (2022: 11.56%)	12.37% (2022: 11.56%)
Number of years:	5 years (2022: 5 years)	5 years (2022: 5 years)	5 years (2022: 5 years)
Cost growth rate:	4 - 6% (2022: 4 - 6%)	4 - 6% (2022: 4 - 6%)	4 - 6% (2022: 4 - 6%)
Long-term growth rate:	5.5% (2022: 6%)	5.5% (2022: 6%)	5.5% (2022: 6%)

The following assumptions were applied when reviewing goodwill for impairment:

- Asset values were based on the carrying amounts for the financial period.
- Future expected profits were estimated using historical information and approved budgets extending over 1 to 5 years.
- Sales growth and gross margins were based on historical performance and known future prospects.
- Costs were assumed to grow in line with expansion and expected inflation.
- Cash flows were extended into perpetuity as management has no reason to believe that the Group will not continue past the budget period.

6. INTANGIBLE ASSETS

	2023			2022		
	Cost R'000	Accumulated amortisation R'000	Carrying value R'000	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
Trademarks	**57**	**-**	**57**	57	-	57
Computer software	**10 996**	**(10 994)**	**2**	10 996	(10 994)	2
Total	**11 053**	**(10 994)**	**59**	11 053	(10 994)	59

Reconciliation of intangible assets - 2023	Opening balance R'000	Amortisation R'000	Closing balance R'000
Trademarks	**57**	**-**	**57**
Computer software	**2**	**-**	**2**
	59	**-**	**59**

Reconciliation of intangible assets - 2022	Opening balance R'000	Amortisation R'000	Closing balance R'000
Trademarks	57	-	57
Computer software	2	-	2
	59	-	59

7. INVESTMENT IN ASSOCIATE

Name of company	% ownership interest 2023	% ownership interest 2022	Carrying amount 2023 R'000	Carrying amount 2022 R'000
The N2 Express Joint Venture Proprietary Limited	33.33%	33.33%	5 982	1 743
			5 982	1 743

Reconciliation of equity accounted investment in associates as at 31 March 2023	2023 R'000	2022 R'000
Investment at beginning of period	1 743	378
Share of profit	7 239	1 364
Dividends received from associate	(3 000)	-
Investment at end of period	5 982	1 743

Summarised financial information of associate	2023 R'000	2022 R'000
Summarised statement of profit or loss		
Turnover	84 978	10 396
Net profit after tax	21 717	4 093

Associate with different reporting date

The reporting date of The N2 Express Joint Venture Proprietary Limited is 30 June, the results shown above are as at 31 March.

8. DEFERRED TAX

	2023 R'000	2022 R'000
Deferred tax liability		
Accelerated depreciation for tax purposes	(346 120)	(345 026)
Deferred income	4 818	4 269
Fair value adjustment on defined benefit plan	(2 157)	(1 478)
Fair value adjustment on associate on gain of control	(2 052)	(2 052)
Prepayments	(4 996)	(5 984)
Provisions and accruals	54 636	51 469
Lease liabilities	2 193	894
Right-of-use assets	(2 893)	(1 588)
Other	399	731
Total deferred tax liability	(296 172)	(298 765)
Composition of deferred tax		
Deferred tax liability	(297 541)	(299 301)
Deferred tax asset	1 369	536
Total net deferred tax liability	(296 172)	(298 765)

8. DEFERRED TAX (continued)

Reconciliation of deferred tax liability	2023 R'000	2022 R'000
At beginning of year	**(298 765)**	(295 902)
Accelerated depreciation for tax purposes	**(1 094)**	(9 833)
Deferred income	**549**	1 655
Fair value adjustment on defined benefit plan	**(679)**	(4 530)
Prepayments	**988**	(773)
Provisions and accruals	**3 167**	174
Lease liabilities	**1 299**	(5 792)
Right-of-use assets	**(1 305)**	5 495
Change in corporate tax rate	**-**	11 066
Other	**(332)**	(325)
At the end of the year	**(296 172)**	(298 765)

9. LOAN TO ASSOCIATE

Financial instruments - Held at amortised cost	2023 R'000	2022 R'000
Loan to associate: The N2 Express Joint Venture Proprietary Limited	-	5 882
This loan is unsecured and bears interest at prime, interest is repayable in quarterly instalments over the term of the loan. The capital is repayable by June 2024.		
	-	5 882
Shown as:		
Non-current liabilities	-	5 882
Current liabilities	-	-
	-	5 882

This loan was subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for this loan was calculated based on the twelve month expected losses as the credit risk had not significantly increased since recognition. This loan was classed as Stage 1: Insignificant deterioration.

In determining the amount of expected credit loss, the financial position of the associate and the future prospects of the industry in which it operates were taken into account. The loan was fully repaid in the current year.

10. INVENTORIES

	2023 R'000	2022 R'000
Fuel	**7 190**	7 790
Oil	**1 647**	2 132
Reconditioned spares	**4 043**	4 653
Spares	**14 163**	12 829
Finished goods	**-**	1 466
Work in progress	**5 441**	7 145
	32 484	36 015

The carrying value of inventories stated at net realisable value at year-end is R18 207 000 (2022: R17 482 000).

11. TRADE AND OTHER RECEIVABLES

	2023 R'000	2022 R'000
Financial assets		
Trade receivables	51 412	54 301
Allowance for expected credit losses	(2 795)	(3 611)
Trade receivables at amortised cost	48 617	50 690
Deposits	3 362	511
Other receivable	3 472	1 738
Non-financial assets		
VAT	140	511
Prepayments	25 101	22 527
Total trade and other receivables	80 692	75 977
Trade and other receivables are categorised as follows:		
Financial assets at amortised cost	55 451	52 939
Non-financial assets	25 241	23 038
	80 692	75 977

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due (see also note 37).

Expected credit loss

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

The Group principally sells to cash customers and the current customer base comprises mainly of governmental customers with whom it has a long-standing history.

Credit is continuously monitored to ensure payments are made on time and for the correct amount. The standard credit period on sales is 30 days from the date of invoice.

Credit limits exceeded during the year under review were closely monitored, and management does not expect any losses from non-performance by these counterparties that have not been provided for.

In determining the loss allowance, the Group considered factors such as disputes with customers, untraceable and slow payers, long-overdue accounts, customers that had been handed over to attorneys for collection, customers that were governmental institutions, the established relationship with the customer, whether the customer was a related entity as defined by IAS 24, and customers placed under liquidation. Historical data was also assessed to identify indicators of possible default by customers in the Group. At year-end the Group performed an assessment on the expected credit loss taking into account forward looking information. The Group holds no collateral as security against non-payment of any of the above-mentioned trade receivables.

Historical data indicates that there has been a reasonably low occurrence of defaults by customers in the Group. Based on this the Group does not anticipate significant future defaults by customers.

Certain trade receivables do not expose the Group to significant credit risk and therefore no expected credit losses are raised on these balances.

11. TRADE AND OTHER RECEIVABLES (continued)

Allowance for expected credit losses on trade receivables

At 31 March 2023, trade receivables of R2 795 000 (2022: R3 611 000) were charged to the loss allowance account. In measuring the expected credit losses, specific debtors that were known to be irrecoverable, were assessed separately. The gross amount of these trade receivables and expected credit losses relating to specific debtors, that were assessed separately, totalled R2 795 000 (2022: R3 611 000), and relate to debtors that have been handed over to attorneys for collection and debtors that have been outstanding for more than one year. The remaining balance of debtors did not have significant exposure to credit risk and as such no loss allowance was raised on the balance of trade receivables.

Movement in the allowance for expected credit losses on trade and other receivables are as follows:	2023 R'000	2022 R'000
Loss allowance as at 1 April	**3 611**	5 159
Loss allowance recognised during the year	**1 129**	713
Receivables written off during the year	**(1 224)**	(164)
Loss allowance unused and reversed during the year	**(721)**	(2 097)
	2 795	3 611

The creation and release of the allowance for the expected credit losses have been included in operating expenses in the statement of profit or loss.

Trade receivables past due

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 30 days from the invoice date and failure to engage with the Group on alternative payment arrangement among others, are considered indicators of no reasonable expectation of recovery.

Other receivables

Other receivables balances relate mainly to recoveries, deposits and other sundry receivables.

Other receivables do not contain significant credit risk and therefore no expected credit losses are raised on these balances.

12. CASH AND CASH EQUIVALENTS

	2023 R'000	2022 R'000
Cash and cash equivalents consist of:		
Cash on hand	**475**	391
Bank balances	**678 146**	577 849
	678 621	578 240

13. SHARE CAPITAL

	2023 R'000	2022 R'000
Authorised		
1 000 000 000 Ordinary shares of no par value		
Issued		
290 595 797 Ordinary shares of no par value	**1 800 083**	1 797 160
Details of the issued share capital changes are as follows:		
At the beginning of the year	**1 797 160**	1 797 160
Share issue - directors	**341**	-
Share issue - employees	**2 582**	-
	1 800 083	1 797 160

14. REINVESTMENT RESERVE

The reinvestment reserve is the portion that is attributable to Golden Arrow Bus Services Proprietary Limited as a result of a surplus on the liquidation of The Golden Arrow Retirement Plan in 1998.

	2023 R'000	2022 R'000
Balance at the end of the year	**98 295**	98 295

15. MAINTENANCE RESERVE

In terms of the contract between Table Bay Area Rapid Transit Proprietary Limited and the City of Cape Town, the buses have to be maintained and returned to the City after the initial contract period of 12 years, in the state and condition they were in as at the vehicle delivery date, fair wear and tear accepted. The current contract runs until October 2025. The payment for the maintenance is by way of the estimated life time cost averaged over the period of the contract. The difference between the actual cost incurred and the amount received, in accordance with the contract, is transferred to the reserve.

	2023 R'000	2022 R'000
Opening balance	**39 510**	35 595
Transfer from retained earnings	**(11 289)**	3 915
	28 221	39 510

16. NON-CONTROLLING INTEREST ("NCI")

Name of company	Location	NCI % Holding 2023	NCI % Holding 2022	Carrying amount 2023 R'000	Carrying amount 2022 R'000
Eljosa Travel & Tours Proprietary Limited	South Africa	**7.30%**	24.00%	**(3 827)**	(12 651)
Shuttle Up Proprietary Limited	South Africa	**10.00%**	10.00%	**197**	134
Alpine Truck and Bus Proprietary Limited	South Africa	**49.00%**	49.00%	**(227)**	(134)
				(3 857)	(12 651)

Summary financial information of subsidiary - Eljosa Travel & Tours Proprietary Limited ("Eljosa")	2023 R'000	2022 R'000
Non-current assets	**82 940**	87 011
Current assets	**10 875**	7 403
Non-current liabilities	**31 070**	25 513
Current liabilities	**114 965**	122 590
Equity and reserves	**(52 220)**	(53 689)
Turnover	**76 657**	24 321
Profit/(Loss) for the year	**1 468**	(18 510)
Reconciliation of carrying value of non-controlling interest of Eljosa		
Opening balance	**(12 651)**	(8 394)
Profit/(Loss) for the year after tax	**1 468**	(18 510)
(Profit)/Loss attributable to owners of parent	**(1 468)**	14 253
Change in ownership	**8 824**	-
Closing balance	**(3 827)**	(12 651)

At 30 September 2022, HPL and R Investments Proprietary Limited increased their shareholding from 76% to 92.7%, while non-controlling interest decreased from 24% to 7.3%. No consideration was paid for the change in shareholding.

16. NON-CONTROLLING INTEREST ("NCI") (continued)

Summary financial information of subsidiary – Shuttle Up Proprietary Limited ("Shuttle Up")	**2023 R'000**	**2022 R'000**
Non-current assets	**4 435**	3 188
Current assets	**1 480**	479
Non-current liabilities	**3 606**	64
Current liabilities	**338**	2 259
Equity and reserves	**1 971**	1 344
Turnover	**6 429**	2 697
Profit/(Loss) for the year	**628**	(304)
Reconciliation of carrying value of non-controlling interest of Shuttle up		
Opening balance	**134**	165
Profit/(Loss) for the year after tax	**628**	(304)
(Profit)/Loss attributable to owners of parent	**(565)**	273
Closing balance	**197**	134

Summary financial information of subsidiary – Alpine Truck and Bus Proprietary Limited ("Alpine")	**2023 R'000**	**2022 R'000**
Non-current assets	**2 456**	640
Current assets	**13 242**	11 917
Non-current liabilities	**2 790**	58
Current liabilities	**13 370**	12 772
Equity and reserves	**(462)**	(273)
Turnover	**50 514**	47 310
Loss for the year	**(190)**	(273)
Reconciliation of carrying value of non-controlling interest of Alpine		
Opening balance	**(134)**	-
Loss for the year after tax	**(190)**	(273)
Loss attributable to owners of parent	**97**	139
Closing balance	**(227)**	(134)

17. BORROWINGS

	2023 R'000	2022 R'000
Held at amortised cost		
Nedbank Limited – Term loan 2	-	3 590
This loan is unsecured, bears interest at prime less 0.50% and was repaid in the current year.		
Nedbank Limited – Term loan 3	-	3 590
This loan is unsecured, bears interest at prime less 0.50% and was repaid in the current year.		
ABSA Limited – Term loan 4	2 645	3 584
This loan is unsecured, bears interest at prime and is repayable in monthly instalments over the term until 2025.		
	2 645	10 764
Shown as:		
Non-current liabilities	1 636	2 619
Current liabilities	1 008	8 145
	2 645	10 764

18. INSTALMENT SALE OBLIGATIONS

	2023 R'000	2022 R'000
Instalment sale obligations	176 964	213 859
Shown as:		
Non-current liabilities	80 460	121 640
Current liabilities	96 504	92 219
	176 964	213 859
The present value of instalment sale obligations due per financial institution are as follows:		
Wesbank	13 661	-
Repayable in monthly instalments of R286 000 (2022: nil)		
Nedbank Limited	56 146	72 730
Repayable in monthly instalments of R3 195 000 (2022: R3 527 000)		
MAN Financial Services	58 358	58 307
Repayable in monthly instalments of R2 688 000 (2022: R2 760 000)		
The Standard Bank of South Africa Limited	45 437	44 685
Repayable in monthly instalments of R1 803 000 (2022: R2 207 000)		
ABSA Bank Limited	3 362	38 137
Repayable in monthly instalments of R704 000 (2022: R2 441 000)		
	176 964	213 859

Interest is charged at a weighted average effective rate of 9.76% (2022: 7.82%) and monthly instalments are repayable over a period of five years.

Instalment sales are secured over buses with a book value of R176 964 000 (2022: R213 859 000). Refer to note 37 for further information regarding the liquidity risk associated with the Group's borrowings.

19. TRADE AND OTHER PAYABLES

	2023 R'000	2022 R'000
Financial liabilities		
Trade payables	89 444	84 509
Accruals	56 022	58 648
Payroll accruals	9 732	23 902
Other payables	13 101	11 407
Non-financial liabilities		
Leave pay accruals	27 849	26 214
Deferred income	18 444	15 812
VAT	1 170	314
Lease liability (Refer to Note 4)	2 714	1 336
	218 476	222 142
Trade and other payables are categorised as follows:		
Financial liabilities at amortised cost	168 299	178 466
Non-financial liabilities	50 177	43 676
	218 476	222 142

Deferred income	2023 R'000	2022 R'000
At 1 April	15 812	9 903
Created during the year	18 444	15 812
Utilised during the year	(15 812)	(9 903)
At 31 March	18 444	15 812

The expected timing of the recognition of the deferred revenue is within 3 months.

20. POST-EMPLOYMENT MEDICAL BENEFIT LIABILITY

Defined benefit plan

Defined benefit plans, within the Group, are post-employment benefit plans under which contributions in respect of retired employees with more than 20 years of service (employees employed after September 2019 with more than 25 years of service) are paid to Golden Arrow Employees' Medical Benefit Fund (MBF) and Discovery Health. These contributions are used to cover outgoings not financed from member contributions. The administrators of MBF are Metropolitan Health Group.

The calculation of the accrued service liability in respect of post-retirement health care was performed by Willis Towers Watson Actuaries and Consultants as at 31 March 2023 and amounted to R67 437 000 (2022: R71 616 000).

	2023 R'000	2022 R'000
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	67 437	71 616

20. POST-EMPLOYMENT MEDICAL BENEFIT LIABILITY (continued)

	2023 R'000	2022 R'000
Categorised as follows:		
Non-current liabilities	**62 265**	66 550
Current liabilities	**5 172**	5 066
	67 437	71 616
Movements for the year		
Opening balance	**71 616**	74 172
Net income recognised	**(4 179)**	(2 556)
	67 437	71 616
Net expense recognised is made up as follows:		
Current service cost	**1 480**	1 477
Interest cost	**7 789**	7 899
Pensioner subsidy	**(5 458)**	(6 459)
Expense recognised in profit or loss	**3 811**	2 917
Actuarial gains recognised in other comprehensive income	**(7 990)**	(5 473)
	(4 179)	(2 556)

Key assumptions used for the valuation	2023	2022
Normal retirement age	**65**	65
Discount rate used	**12.20%**	11.10%
Price inflation rate used	**6.60%**	6.30%
Continuation of membership at retirement	**55.00%**	55.00%
Discovery Health expected long term medical aid subsidy increase rates	**9.00%**	8.70%
Medical Benefit Fund expected long term medical aid subsidy increase rates	**8.50%**	8.20%

The projected unit credit method has been used to value the post-retirement medical liabilities. Under this method the liability for employee members is allocated based on the service accrued to the date of valuation and the service expected to arise up to retirement age.

Sensitivity analysis

The valuation as at 31 March is sensitive to a change in the assumptions used, particularly in the discount rate and the subsidy increase rate. Below shows a summary of the effect of changes in these assumptions on the valuation of the liability:

Accrued liability	2023 Change in R'000	2022 Change in R'000	2023 Change in %	2022 Change in %
discount rate increased by 0.50% p.a.	**(3 068)**	(3 471)	**(5.0)**	(4.8)
discount rate reduced by 0.50% p.a.	**3 343**	3 799	**5.0**	5.3
subsidy increase rate increased by 1% p.a.	**7 002**	7 927	**10.0**	11.1
subsidy increase rate reduced by 1% p.a.	**(5 976)**	(6 710)	**(9.0)**	(9.4)

21. PROVISIONS

Reconciliation of provisions –2023	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Closing balance R'000
Bonus provision	**40 004**	**70 711**	**(60 796)**	**(4 575)**	**45 344**
Repurchase of service provision	**38 770**	**1 128**	**-**	**(1 128)**	**38 770**
Third party claims provision	**13 106**	**6 217**	**(6 012)**	**(4 851)**	**8 460**
	91 880	**78 056**	**(66 808)**	**(10 554)**	**92 574**

Reconciliation of provisions –2022	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Closing balance R'000
Bonus provision	38 916	64 184	(59 303)	(3 793)	40 004
Repurchase of service provision	38 770	-	-	-	38 770
Third party claims provision	11 786	7 417	(4 799)	(1 298)	13 106
	89 472	71 601	(64 102)	(5 091)	91 880

Bonus provision

Union employee bonuses are dependent on the rate negotiated with the respective bargaining councils. Other employee bonuses are paid at the discretion of the company. Senior management receive an incentive bonus based on the results of the company. In all cases, payment of a bonus is dependent upon the employee being in the company's service at the date of payment.

Repurchase of service provision

Government indicated in 1997 that its long term objective is to open public passenger transport to competitive tendering. Past experience has shown where government has followed this course of action the resulting tendered cost to government has been considerably higher than the cost under the existing regime, which has delayed the future roll out of this model.

The repurchase of service provision is raised in respect of retrenchment costs that will be payable to employees who would be surplus to requirements should the operating of some routes be awarded to third parties.

The amount provided for is based on management's best estimate of the maximum costs payable in accordance with the employees' current conditions of employment. Assumptions have been made in respect of the timing of the service being put out to tender and the extent of the services that would be awarded to third parties.

A Bus Industry Restructuring Fund was set up in 1999 to compensate employers for these retrenchment costs. As it is currently impracticable to calculate a reliable estimate of the amount that would be paid to qualifying employers, reference has been made to the existence of a contingent asset under note 35 Contingent asset.

Third party claims provision

Third party claims are legal claims resulting from traffic accidents. The timing and extent of claims settled remains uncertain until settlement occurs. Where the company expects to be reimbursed under an insurance contract, the reimbursement is recognised as a separate asset.

22. REVENUE

	2023 R'000	2022 R'000
Revenue from bus services		
Revenue recognised over time		
Operational contract carrying revenue risk	**1 127 813**	1 132 644
Operational contract with no revenue risk	**160 378**	140 787
Sale of multi-journey tickets	**578 305**	441 793
Revenue recognised at a point in time		
Sale of single journey tickets	**353 827**	293 603
Charter hire services	**101 128**	32 638
Total revenue from bus services	**2 321 451**	2 041 465

22. REVENUE (continued)

	2023 R'000	2022 R'000
Revenue from goods sold		
Revenue recognised at a point in time		
Sale of vehicles	7 627	20 158
Sale of spares, tyres and retreads	35 107	8 073
	42 734	28 231
Revenue from automotive repair services		
Revenue recognised at a point in time		
Bus and vehicle repair and maintenance	7 365	1 199
Tyre repairs and related services	4 531	289
	11 896	1 488
Other revenue		
Revenue recognised over time	1 868	2 748
Revenue recognised at a point in time	15 892	6 070
	17 760	8 818
Total revenue	2 393 841	2 080 002

23. PROFIT BEFORE TAXATION

Profit before taxation for the year is stated after charging/(crediting) the following, amongst others:	2023 R'000	2022 R'000
Auditor's remuneration – external		
Audit fees - current year	3 385	2 679
Total auditor's remuneration	3 385	2 679
Consulting, legal and professional services	11 838	14 497
Employee costs		
Salaries, wages, bonuses and other benefits	852 733	833 296
Pension fund contributions	47 797	53 853
Total employee costs	900 530	887 149
Leases		
Short term leases	3 147	3 372
Low-value leases	442	437
Total leases	3 589	3 809
Depreciation and amortisation		
Depreciation of property, plant and equipment	94 649	91 889
Depreciation of right-of-use assets	5 139	139
Total depreciation and amortisation	99 787	92 028
Impairment losses		
Goodwill	-	4 247
Plant and equipment	7 946	5 006
Total impairment losses	7 946	9 253
Movement in credit loss allowances		
Trade and other receivables	(816)	(1 548)

23. PROFIT BEFORE TAXATION (continued)

	2023 R'000	2022 R'000
Other		
Profit on disposal of plant and equipment	(1 244)	(5 495)
Proceeds from insurance claims	4 645	2 683
Inventory write downs	113	-
Share-based payments equity settled	3 782	2 238
Cost of sales - Goods sold	58 865	26 665

24. INVESTMENT INCOME

	2023 R'000	2022 R'000
Bank	35 583	15 975
Total investment income	35 583	15 975

25. FINANCE COSTS

	2023 R'000	2022 R'000
Instalment sale obligations	16 059	17 759
Lease liability	410	2 121
Total finance costs	16 469	19 880

26. TAXATION

Major components of the tax expense	2023 R'000	2022 R'000
Current		
Local income tax – current period	112 143	98 051
Local income tax – recognised in current tax for prior periods	(33)	(2 984)
	112 110	95 067
Deferred		
Originating and reversing temporary differences	(6 450)	12 396
Deferred tax - under provision prior year	1 695	-
Change in corporate tax rate	-	(11 011)
	(4 755)	1 385
Total tax expense	107 355	96 452

The income tax relating to each component of other comprehensive income is set out below:

	2023 R'000	2022 R'000
Actuarial (gains)/losses on post-employment benefit plan	(2 157)	(1 478)

Asssessed losses not recognised

Eljosa Travel and Tours, Alpine Truck and Bus and Shuttle up have incurred operating losses which result in losses for tax purposes. Losses for tax purposes available for set off against future taxable income and for which deferred tax assets have not been raised are estimated at:

	2023 R'000	2022 R'000
- Assessed losses on normal tax	107 927	99 021
Tax relief at current rates:		
- Normal tax	29 140	26 736

26. TAXATION (continued)

Reconciliation between applicable tax rate and average effective tax rate	2023	2022
Applicable tax rate	27.00%	28.00%
Non-taxable income - allowances	(1.20%)	(0.60%)
Share of profits from associate	(0.20%)	(0.10%)
Expenses not in production of income	0.30%	0.20%
Impairment of goodwill	-	0.30%
Deferred tax not raised on losses	0.80%	2.20%
Prior year charges	1.20%	0.40%
Change in corporate tax rate	-	(3.10%)
Effective tax rate	27.90%	27.30%

27. CASH GENERATED FROM OPERATIONS

	Notes	2023 R'000	2022 R'000
Profit before taxation		384 814	353 229
Adjustments for:			
Depreciation and amortisation	3 & 4	99 787	92 028
Profit on disposal of plant and equipment	30	(1 244)	(5 495)
Share base payments		3 782	2 238
Profit from equity accounted investments	7	(7 239)	(1 364)
Interest income		(32 583)	(15 975)
Finance costs		16 469	19 880
Impairment of plant and equipment	30	7 946	5 006
Impairment of goodwill	30	-	4 247
Proceeds from insurance claims	30	(4 645)	
Movements in post-employment medical benefit liabilty		3 811	2 917
Movements in provisions		695	2 408
Movement in loss allowance		(816)	(1 548)
Movement in deferred revenue		2 633	5 909
Other non cash items		(2 923)	-
Changes in working capital:			
Inventories		3 531	(17 027)
Trade and other receivables		510	(9 001)
Trade and other payables		(6 193)	45 558
		468 335	483 010

28. TAX PAID

	2023 R'000	2022 R'000
Balance at beginning of the year	8 911	5 725
Current tax for the year recognised in profit or loss	(112 111)	(95 066)
Balance at end of the year	4 683	(8 911)
	(98 517)	(98 252)

29. BORROWINGS ARISING FROM FINANCING ACTIVITIES

Movements in the carrying value of borrowings and instalment sales are as follows:

	2023 R'000	2022 R'000
Carrying value at the beginning of the year	224 623	364 695
Cash-flows:		
Debt repayments	(116 949)	(152 836)
Interest paid	(15 972)	(18 229)
Non-cash:		
Raising of instalment sales obligations	71 934	12 764
Interest capitalised	15 972	18 229
Carrying value at the end of the year	179 608	224 623

R71 934 000 (2022: R12 764 000) of debt raised in the period relates to instalment sale obligations used to finance bus acquisitions, and therefore has not been included in the cash flow statement as a cash flow amount.

30. HEADLINE EARNINGS PER SHARE

	2023 R'000		2022 R'000	
Reconciliation of headline earnings	Gross	Net	Gross	Net
Earnings attributable to equity holders of the parent		277 489		261 199
Adjustments for:				
Profit on disposal of plant and equipment	(1 244)	(908)	(5 495)	(3 956)
Insurance claims for capital assets	(4 645)	(3 391)	(2 683)	(1 932)
Impairment of plant and equipment	7 946	5 801	5 006	3 604
Impairment of goodwill	-	-	4 247	4 247
Headline earnings		278 991		263 162
Earnings per share (cents)				
– Basic		95.55		90.07
– Diluted		94.89		89.52
Headline earnings per share (cents)				
– Basic		96.07		90.75
– Diluted		95.40		90.19
Weighted average number of shares issue ('000)				
– Basic		290 414		290 000
– Diluted		292 432		291 775
Actual number of shares issue ('000)		290 596		290 000

The impairment of plant and equipment relates to the destruction of 11 Golden Arrow buses and onboard computer hardware (2022: 7 Golden Arrow buses and onboard computer hardware) of which R4 645 000 (2022: R2 465 000) (gross) is recoverable from insurance proceeds and included in insurance claims for capital assets (see also note 3).

In terms of the Frontier Group Employee Option Scheme, 595 797 shares were issued during the current financial year (2022: nil).

Reconciliation of average number of diluted shares	2023 R'000	2022 R'000
Basic weighted average number of shares	290 414	290 000
Dilution effect of share options	2 018	1 775
Diluted weighted average number of shares	292 432	291 775

31. GROUP EMPLOYEE OPTION SCHEME

The Group operates a share option scheme, The Frontier Group Employee Option Scheme ("the Scheme"), in terms of which shares in the Company are offered on a share option basis to participants, provided they remain in the Group's employ until the options vest. Any gain realised on the exercise of these options is settled on a net equity basis, whereby the participant receives the number of shares which equate in value to the gain made on exercise date. Options must be exercised within six months of the vesting date, where after the options lapse. Options vest over periods of three to five years.

Share options granted to eligible participants that have not yet become unconditional are as follows:

	2023		2022	
	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
Balance at the beginning of the year	**5 634 634**	**3.26**	5 634 634	3.26
Options vested	**(1 009 112)**	**4.90**	-	-
Options forfeited	**(875 026)**	**-**	-	-
Options granted	**11 804 482**	**4.40**	-	-
Balance at the end of the year	**15 554 978**	**4.09**	5 634 634	3.26

The grant date fair value of options was determined using the Black-Scholes valuation model. The significant inputs into the model were: the listed share price on grant date, volatility of 46% and an annual risk-free rate between 7.84% and 8.09%.

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of the daily share price since Frontier's shares were listed on the Johannesburg Stock Exchange in April 2018. The cost relating to options is recognised by allocating the fair value over the vesting period on a straight-line basis.

The volume weighted average share price during the current year was R4.86 (2022: R4.26).

Movement in the share-based payment reserve is as follows:

	2023 R'000	2022 R'000
Balance at the beginning of the year	**4 940**	2 702
Equity-settled share-based payment expense for the year	**3 782**	2 238
Share-based payments reserve transferred to retained income	**(2 290)**	-
Balance at the end of the year	**6 432**	4 940

31. GROUP EMPLOYEE OPTION SCHEME (continued)

The options issued in terms of the Scheme and outstanding at 31 March 2023 become unconditional between the following dates:

	2023	
Number of share options	**Number of share options**	**Exercise price R**
Between 16 March 2023 and 16 September 2023	315 494	3.28
Between 22 March 2023 and 22 September 2023	324 890	3.70
Between 1 August 2023 and 1 February 2024	196 152	3.43
Between 16 March 2024 and 16 September 2024	315 494	3.28
Between 22 March 2024 and 22 September 2024	324 890	3.70
Between 31 March 2024 and 30 September 2024	587 312	2.72
Between 1 August 2024 and 1 February 2025	196 151	3.43
Between 16 March 2025 and 16 September 2025	315 493	3.28
Between 31 March 2025 and 30 September 2025	587 311	2.72
Between 06 December 2025 and 05 June 2026	3 934 827	4.40
Between 31 March 2026 and 30 September 2026	587 310	2.72
Between 06 December 2026 and 05 June 2027	3 934 827	4.40
Between 06 December 2027 and 05 June 2028	3 934 827	4.40
Balance at the end of the year	**15 554 978**	

The maximum number of shares that may be utilised for the purposes of the Scheme is 21 750 000 shares.

Subsequent to year end 382 106 share options became unconditional and as at publishing date 271 336 of these options were vested.

Share options granted to executive directors

	2023		2022	
Mr FE Meyer	**Number of share options**	**Weighted average exercise price R**	**Number of share options**	**Weighted average exercise price R**
Balance at the beginning of the year	1 072 717	3.06	1 072 717	3.06
Options granted	3 352 446	4.40	-	-
Options vested	(70 300)	4.99	-	-
Balance at the end of the year	4 354 863	4.08	1 072 717	3.06
Unconditional between the following dates:				
Between 22 March 2022 and 22 September 2022	-	-	70 300	3.70
Between 16 March 2023 and 16 September 2023	90 902	3.28	90 902	3.28
Between 22 March 2023 and 22 September 2023	70 300	3.70	70 300	3.70
Between 16 March 2024 and 16 September 2024	90 902	3.28	90 902	3.28
Between 22 March 2024 and 22 September 2024	70 300	3.70	70 300	3.70
Between 31 March 2024 and 30 September 2024	196 370	2.72	196 370	2.72
Between 16 March 2025 and 16 September 2025	90 902	3.28	90 902	3.28
Between 31 March 2025 and 30 September 2025	196 370	2.72	196 370	2.72
Between 06 December 2025 and 05 June 2026	1 117 482	4.40	-	-
Between 31 March 2026 and 30 September 2026	196 371	2.72	196 371	2.72
Between 06 December 2025 and 05 June 2027	1 117 482	4.40	-	-
Between 06 December 2025 and 05 June 2028	1 117 482	4.40	-	-
	4 354 863	4.08	1 072 717	3.06

Subsequent to year end, 161 202 options became unconditional and were exercised by FE Meyer, who received 114 471 shares in the Company after settling the related taxes (see also note 33).

31. GROUP EMPLOYEE OPTION SCHEME (continued)

Share options granted to executive directors (continued)

Mr ML Wilkin	2023 Number of share options	2023 Weighted average exercise price R	2022 Number of share options	2022 Weighted average exercise price R
Balance at the beginning of the year	672 285	3.06	672 285	3.06
Options granted	2 100 798	4.40	-	-
Options vested	(44 080)	4.99	-	-
Balance at the end of the year	2 729 003	4.08	672 285	3.06
Unconditional between the following dates:				
Between 22 March 2022 and 22 September 2022	-	-	44 080	3.70
Between 16 March 2023 and 16 September 2023	56 961	3.28	56 961	3.28
Between 22 March 2023 and 22 September 2023	44 080	3.70	44 080	3.70
Between 16 March 2024 and 16 September 2024	56 961	3.28	56 961	3.28
Between 22 March 2024 and 22 September 2024	44 080	3.70	44 080	3.70
Between 31 March 2024 and 30 September 2024	123 054	2.72	123 054	2.72
Between 16 March 2025 and 16 September 2025	56 961	3.28	56 961	3.28
Between 31 March 2025 and 30 September 2025	123 054	2.72	123 054	2.72
Between 06 December 2025 and 05 June 2026	700 266	4.40	-	-
Between 31 March 2026 and 30 September 2026	123 054	2.72	123 054	2.72
Between 06 December 2025 and 05 June 2027	700 266	4.40	-	-
Between 06 December 2025 and 05 June 2028	700 266	4.40	-	-
	2 729 003	4.08	672 285	3.06

Subsequent to year end 101 041 options became unconditional, these options had not yet been exercised at the date of publishing.

32. RELATED PARTIES

Relationships

Holding company	Hosken Consolidated Investments Limited
Fellow subsidiary	HCI Managerial Services Proprietary Limited
	HCI Foundation
	GRIPP Advisory Proprietary Limited
	La Concorde Holdings Limited
Associate	N2 Express Joint Venture Proprietary Limited
Post-employment medical benefit fund	Golden Arrow Employee’s Medical Benefit Fund

	2023 R'000	2022 R'000
Related party balances		
Amounts included in trade receivables (trade payables) regarding related parties		
HCI Foundation	254	287
The N2 Express Joint Venture Proprietary Limited	6 083	3 142
HCI Managerial Services Proprietary Limited	(144)	(144)
	6 193	3 285
Loan to associate		
The N2 Express Joint Venture Proprietary Limited (Refer to Note 9)	-	5 882
Related party transactions		
Sales to related party		
HCI Foundation	(2 097)	(1 300)

32. RELATED PARTIES (continued)

	2023 R'000	2022 R'000
Administration fees paid to related party		
HCI Managerial Services Propriety Limited	1 952	1 914
Contributions paid to related party		
Golden Arrow Employee's Medical Benefit Fund	36 918	36 372
Dividends paid to related parties		
Hosken Consolidated Investments Limited	125 700	107 077
La Concorde Holdings Limited	3 412	2 907
	129 112	109 984
Internal audit fees paid to related party		
GRIPP Advisory Proprietary Limited	1 667	1 701
Compensation paid to directors and other key management		
Salaries and other short-term employee benefits	35 708	36 842
Post-employement benefits	1 250	550
Termination benefits	728	-
Share-based payments	185	-
	37 871	37 392

33. DIRECTORS' INTEREST AND EMOLUMENTS

Directors' interest

No director of the Company had any material direct or indirect interest in any transactions that were affected by the Company in the current or preceding financial year-end.

At year-end the following directors held shares in the Company:

Director 2023	Direct number of shares held	Direct % of shares in issue held	Indirect number of shares held	Indirect % of shares in issue held	Total number of shares held	Total % of shares in issue held
FE Meyer	163 577	0.06%	256	0.00%	163 833	0.06%
ML Wilkin	26 324	0.01%	-	-	26 324	0.01%
JR Nicolella	5 185	0.00%	9 727	0.00%	14 912	0.00%
TG Govender	87 808	0.03%	821 676	0.28%	909 484	0.31%

Director 2022	Direct number of shares held	Direct % of shares in issue held	Indirect number of shares held	Indirect % of shares in issue held	Total number of shares held	Total % of shares in issue held
FE Meyer	116 813	0.04%	4 756	0.00%	121 569	0.04%
TG Govender	87 808	0.03%	821 676	0.28%	909 484	0.31%

In addition, to the holdings reflected above, subsequent to year end and to the date of the approval of the annual financial statements the following director acquired an additional interest in the shares of the Company, after exercising his unconditional share options:

	Additional direct number of shares acquired	Additional % of shares in issue acquired
FE Meyer	114 471	0.04%

There were no further changes in the directors' interest from 31 March 2023 to the date of the approval of the annual financial statements.

33. DIRECTORS' INTEREST AND EMOLUMENTS (continued)

Directors' emoluments

Year ended 31 March 2023	Frontier Group directors' fees R'000	Directors' fees R'000	Salary R'000	Fringe benefits including medical aid R'000	Pension contributions R'000	Bonus R'000	Gain from share schemes R'000	Total R'000
Executive directors								
FE Meyer	-	-	3 501	972	327	4 295	209	9 304
ML Wilkin	-	-	2 742	601	256	3 364	131	7 094
	-	-	6 243	1 573	583	7 659	340	16 398
Non-executive directors								
Y Shaik	-	-	4 455	-	-	2 896	3 019	10 370
TG Govender	-	-	2 244	-	-	1 459	3 193	6 896
L Govender	208	210	-	-	-	-	-	418
NB Jappie	181	277	-	-	-	-	-	458
RD Watson	181	1 313	-	-	-	-	-	1 494
JR Nicolella			5 276	102		3 496	3 733	12 607
Paid by HCI subsidiaries not in the Frontier Group	-	(1 800)	(11 975)	(102)	-	(7 851)	(9 945)	(31 673)
	570	-	6 243	1 573	583	7 659	340	16 968

FE Meyer and ML Wilkin were remunerated by Golden Arrow Bus Services Proprietary Limited as executive directors for the years ended 31 March 2023 and 31 March 2022.

Y Shaik, JR Nicolella and TG Govender were remunerated by HCI as executive directors for the years ended 31 March 2023 and 31 March 2022.

L Govender was remunerated by E-Media Holdings Limited (subsidiary of HCI) as non-executive director for the years ended 31 March 2023 and 31 March 2022.

NB Jappie was remunerated by Deneb Investments Limited (subsidiary of HCI) as non-executive director for the years ended 31 March 2023 and 31 March 2022.

RD Watson was remunerated by HCI, Tsogo Sun Limited and E-Media Holdings Limited as non-executive director for the years ended 31 March 2023 and 31 March 2022.

33. DIRECTORS' INTEREST AND EMOLUMENTS (continued)

Directors' emoluments (continued)

Year ended 31 March 2022	Frontier Group directors' fees R'000	Directors' fees R'000	Salary R'000	Fringe benefits including medical aid R'000	Pension contributions R'000	Bonus R'000	Gain from share schemes R'000	Total R'000
Executive directors								
FE Meyer	-	-	3 303	821	309	4 289	-	8 722
ML Wilkin	-	-	2 587	578	242	3 141	-	6 548
	-	-	5 890	1 399	551	7 430	-	15 270
Non-executive directors								
Y Shaik	-	-	4 215	-	-	2 055	3 027	9 297
TG Govender	-	-	2 123	-	-	1 035	3 257	6 415
L Govender	197	200	-	-	-	-	-	397
NB Jappie	171	263	-	-	-	-	-	434
RD Watson	171	1 051	-	-	-	-	-	1 222
Paid by HCI subsidiaries not in the Frontier Group	-	(1 514)	(6 338)	-	-	(3 090)	(6 284)	(17 226)
	539	-	5 890	1 399	551	7 430	-	15 809

34. COMMITMENTS

Authorised capital expenditure	2023 R'000	2022 R'000
Property, plant and equipment authorised but not yet contracted	310 500	81 134
Property, plant and equipment authorised and contracted to be expended	113 238	103 820

It is intended that this expenditure will be funded from bank finance and operating cash flows.

The Board approved the reinstatement of the fleet replacement programme to commence during FY2023 and has authorised the acquisition of 67 commuter buses, 40 of these buses will be delivered during FY2024. At year end the Board also approved the acquisition of 62 electric buses.

35. CONTINGENT ASSET

A Bus Industry Restructuring Fund was set up in 1999 to compensate employers for retrenchment costs in respect of unionised employees who would be affected by changes should routes be put out to tender at some stage in the future. There is no reliable information available as to when this will occur and as a result a reliable estimate of the amount cannot be made.

36. GOING CONCERN

The directors believe that the Group and the Company have adequate financial resources to continue operations for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The Group has no financial covenants imposed by its funders. Based on these cash flow forecasts the directors are of the view that the Group has sufficient liquidity to meet its obligations as currently foreseen in the next financial year.

The directors are not aware of any other material changes that may adversely impact the Group nor are they aware of any material non-compliance with statutory or regulatory requirements which may affect the Group.

37. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets held at amortised cost	Notes	2023 Amortised cost R'000	2022 Amortised cost R'000
Trade and other receivables	11	55 451	52 939
Loan to associate	9	-	5 882
Cash and cash equivalents	12	678 621	578 240
		734 072	637 061

Categories of financial liabilities held at amortised cost	Notes	2023 Amortised cost R'000	2022 Amortised cost R'000
Trade and other payables	19	168 299	178 466
Borrowings	17	2 645	10 764
Instalment sale obligations	18	176 964	213 859
		347 908	403 089

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 shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 17 & 18, cash and cash equivalents disclosed in note 12, and equity as disclosed in the statement of financial position.

37. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt (in accordance with the MOI of the Company, the Companies Act and the JSE Listings Requirements).

There are no externally imposed capital requirements.

There have been no changes to the Group's capital management, its strategy for capital maintenance nor its externally imposed capital requirements from the prior year.

The capital structure and gearing ratio of the Group at the reporting date was as follows:

	Notes	2023 R'000	2022 R'000
Borrowings	17	2 645	10 764
Lease liability	4	2 399	1 857
Trade and other payables	19	218 476	222 142
Instalment sale obligations	18	176 964	213 859
Total borrowings		400 484	448 622
Cash and cash equivalents	12	(678 621)	(578 240)
Net borrowings		(278 137)	(129 618)
Equity		1 542 770	1 413 853
Gearing ratio		0 %	0 %

Financial risk management

Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

The Group's Audit and Risk committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, the loan to associate and cash and cash equivalents.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each passenger, Government contract counterparty and customer. The Group considers passengers to share similar risk characteristics.

The Group limits its exposure to credit risk by only investing in liquid securities and only investing with major banks with generally high credit ratings that are independently rated. The Group uses credit rating agencies, such as Moody's and Standards and Poor to assess the credit rating of the financial institutions in which it deposits cash in short to medium term deposits. The credit quality of cash and cash equivalents (excluding petty cash), and other financial assets as at 31 March 2023 and 31 March 2022 can therefore be assessed by reference to their external credit rating as follows:

Credit agency	Credit Rating	31 March 2023 R'000	Credit Rating	31 March 2022 R'000
Moodys	Ba2	678 146	Ba2	577 849

<u>Credit rating definition (Moodys Baseline Credit Assessment):</u>

Ba2 = speculative and subject to high credit risk ("junk status")

37. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The credit score of the majority of South Africa's major banks remain downgraded in line with South Africa's sovereign rating. In November 2020 Moody's downgraded South Africa's sovereign rating from Ba1 to Ba2.

The Group did not consider there to be any significant concentration of credit risk within the trade receivables balance which was both individually material and which had not been adequately provided for. Refer to note 11 for further credit risk analysis in respect of trade and other receivables.

Financial assets exposed to credit risk at year-end were as follows:

		2023			2022		
	Notes	Gross carrying amount R'000	Credit loss allowance R'000	Carrying value R'000	Gross carrying amount R'000	Credit loss allowance R'000	Carrying value R'000
Trade and other receivables	11	58 246	(2 795)	55 451	56 550	(3 611)	52 939
Loan receivable to associate	9	-	-	-	5 882	-	5 882
Cash and cash equivalents	12	678 146	-	678 146	577 849	-	577 849
		736 392	(2 795)	733 597	640 281	(3 611)	636 670

Liquidity risk

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments, budgeting and credit facilities.

Cash flow forecasts are prepared and adequate unutilised borrowing facilities are monitored.

37. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

2023	Notes	Less than 1 year R'000	1 to 5 years R'000	Total R'000	Carrying amount R'000
Non-current liabilities					
Borrowings	17	-	1 770	1 770	1 636
Instalment sale obligations	18	-	91 374	91 374	80 460
Current liabilities					
Trade and other payables	19	168 299	-	168 299	168 299
Borrowings	17	1 249	-	1 249	1 008
Instalment sale obligations	18	108 499	-	108 499	96 504
		278 047	93 144	371 191	347 907

2022	Notes	Less than 1 year R'000	1 to 5 years R'000	Total R'000	Carrying amount R'000
Non-current liabilities					
Borrowings	17	-	2 862	2 862	2 619
Instalment sale obligations	18	-	129 745	129 745	121 640
Current liabilities					
Trade and other payables	19	178 466	-	178 466	178 466
Borrowings	17	8 505	-	8 505	8 145
Instalment sale obligations	18	102 682	-	102 682	92 219
		289 653	132 607	422 260	403 089

Foreign currency risk

The Group is not directly exposed to foreign currency risk as the Group's transactions are predominantly entered into in its functional currency, South African Rands. The Group reviews its foreign currency exposure, including commitments on an ongoing basis.

Interest rate risk

The Group's interest rate risk arises from long-term borrowings. The Group's borrowings are issued at variable rates and expose the Group to cash flow interest rate risk. As part of the process of managing the Group's interest rate risk, interest rate characteristics of new loans and borrowings are positioned according to expected movements in interest rates.

Based on average interest rates of those disclosed in note 18, at 31 March 2023 a 1% fluctuation in interest rates higher/lower, with all other variables constant, would have resulted in a R1 311 000 (2022: R1 617 000) decrease/increase in post-tax profits for the year.

38. FAIR VALUE INFORMATION

The carrying amount of all financial assets and liabilities are considered a reasonable approximation of their fair value.

39. EVENTS AFTER THE REPORTING PERIOD

On 23 June 2023, the Company issued 271 336 ordinary no par value shares to participants who exercised their options under the Group employee option scheme (see also note 31).

The directors are not aware of any further matter or circumstance arising since the end of the financial year to the date of this report, not otherwise dealt with within the annual financial statements that would affect the operations or results of the Group significantly.