



**INTEGRATED ANNUAL REPORT**  
**For the year ended 31 March 2024**



**2024**

# CORPORATE INFORMATION

## SHAREHOLDERS' DIARY

Financial year-end	31 March 2024
Annual general meeting	29 August 2024
<b>Reports</b>	
• Interim report to 30 September 2024	November 2024
• 2024 Integrated Annual Report	July 2024

## 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

#### Independent non-executive directors

L Govender (lead independent director)  
RD Watson  
MF Magugu (appointed 5 October 2023)  
SNN Mkhwanazi (appointed 1 May 2024)  
NB Jappie (resigned 1 September 2023)

### 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](http://www.frontiertransport.co.za)

# CONTENTS

	CORPORATE INFORMATION	Inside front cover		
01	ABOUT THIS REPORT	2	07	REPORT OF THE AUDIT AND RISK COMMITTEE 20
02	GROUP OVERVIEW	4	08	REPORT OF THE REMUNERATION COMMITTEE 23
03	STAKEHOLDERS	10	09	REPORT OF THE SOCIAL AND ETHICS COMMITTEE 29
04	STRATEGY	11	10	CORPORATE RESPONSIBILITY 31
05	CHAIRPERSON AND CHIEF EXECUTIVE OFFICER'S REPORT	12	11	SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS 36
06	CORPORATE GOVERNANCE	14		

# ABOUT THIS REPORT

## SCOPE OF INTEGRATED ANNUAL REPORT AND ASSURANCE

Frontier Transport Holdings Limited (“Frontier” or “the Group” or “the Company”) is pleased to present its Integrated Annual Report for the year ended 31 March 2024 (“2024 Integrated Report” or “Report”).

This Report provides a review of the Group’s financial, social and sustainability performance for the year.

The Report aims to provide a well-balanced and concise overview of the Group’s financial and non-financial performance and insight into the Group’s value creation strategies.

The board and executive management team have been guided by the principles of integrated reporting throughout this Report, which has been prepared in accordance with:

- the Company’s Memorandum of Incorporation (“MOI”);
- requirements of the Companies Act, 71 of 2008, as amended (“the Companies Act”);
- IFRS Accounting Standards
- G4 Sustainability Reporting Guidelines by the Global Reporting Initiative (“GRI G4”);
- the Listings Requirements of the JSE Limited (“JSE” and “JSE Listings Requirements”); and
- recommendations of the King IV Report on Corporate Governance for South Africa 2016 (“King IV™”).

Frontier is an investment holding company with varied shareholdings in a number of companies that are principally involved in the transport sector. As an investment holding company, the business focus of the Group differs from that of an operating company, and is accordingly reflected in the content of the Integrated Annual Report.

The Group strives to grow shareholder value through applying sound business principles and by engaging in ethical commercial practices to create a secure platform for the sustainable management of its investment interests. We are mindful of the impact our operations have on the communities from which we derive custom and the physical environment in which we undertake business activities.

At 31 March 2024, Hosken Consolidated Investments Limited (“HCI”), a premier listed black empowerment investment company, owns approximately 81.55% of Frontier and publishes its own integrated annual report, which is available at [www.hci.co.za](http://www.hci.co.za).

In accordance with the stated objectives of integrated reporting, this Report focuses on those issues that have a material impact on the Group to create and sustain value for its shareholders. This Report should be read in conjunction with the following supporting reports available on Frontier’s website [www.frontiertransport.co.za](http://www.frontiertransport.co.za)

- King IV™ application register
- 2024 consolidated annual financial statements

## FINANCIAL STATEMENTS

This Report contains summarised audited consolidated financial statements. The full set of audited consolidated financial statements are available online at [www.frontiertransport.co.za](http://www.frontiertransport.co.za) or can be requested directly from the Company at [info@frontiertransport.co.za](mailto:info@frontiertransport.co.za).

## MATERIALITY

In assessing the relative materiality of issues that are pertinent to the Group, consideration was in the main accorded to those that hold the biggest sway on the Group’s strategic intent and business model. In this regard, the impact of the regulatory environment, risk profile and expectations of its stakeholder grouping was taken into account. The following was taken into account in developing our understanding of the most material issues:

- The finalisation of regulatory instruments as outlined in the National Land and Transport Act (“NLTA”) of 2009.
- The expectations, views, concerns and interests articulated by stakeholders.
- The strategic mission and associated values pursued by the Group.

## FORWARD-LOOKING STATEMENTS

This Report may contain certain statements about the Group that may constitute forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not

occur in the future. The board cautions users that forward-looking statements are not a guarantee of future performance. These forward-looking statements have not been reviewed nor reported on by the Group's independent auditors.

## STATEMENT OF THE BOARD OF DIRECTORS ON THE 2024 INTEGRATED REPORT

The 2024 Integrated Report was compiled through collaboration with all of the subsidiaries of Frontier.

The quality assurance and accuracy of the information contained in the Report was underpinned by executive management scrutiny, interrogation by the audit and risk committee and ultimately board oversight. The external auditor, BDO South Africa Incorporated, provides assurance on the consolidated financial statements, which are available on the Frontier website. No independent third-party assurance has been obtained on the non-financial data included in this Report.

Empowerdex independently verifies Broad-Based Black Economic Empowerment ("B-BBEE") data in order to issue the annual B-BBEE scorecards and rating certificates to the HCI group and its subsidiaries. The Group's carbon footprint is independently measured and reported by Catalyst Solutions.

The Group's audit and risk committee reviewed the 2024 Integrated Report and consolidated annual financial statements and recommended them to the board for approval. The board acknowledges its responsibility to ensure the integrity of the 2024 Integrated Report, and believes that it addresses all material issues, and fairly represents the integrated performance of the Group.

The summarised consolidated annual financial statements were prepared in accordance with IFRS Accounting Standards, JSE Listing Requirements and the Companies Act, while the 2024 Integrated Report was prepared using the guidelines of the GRI G4 and recommended principles of King IV™.

In our opinion the 2024 Integrated Report and summarised consolidated annual financial statements fairly represent the financial position of the Group as at 31 March 2024 and its operations for the year ended 31 March 2024.

On behalf of the board



**FE Meyer**  
Chief executive officer

31 July 2024



# GROUP OVERVIEW

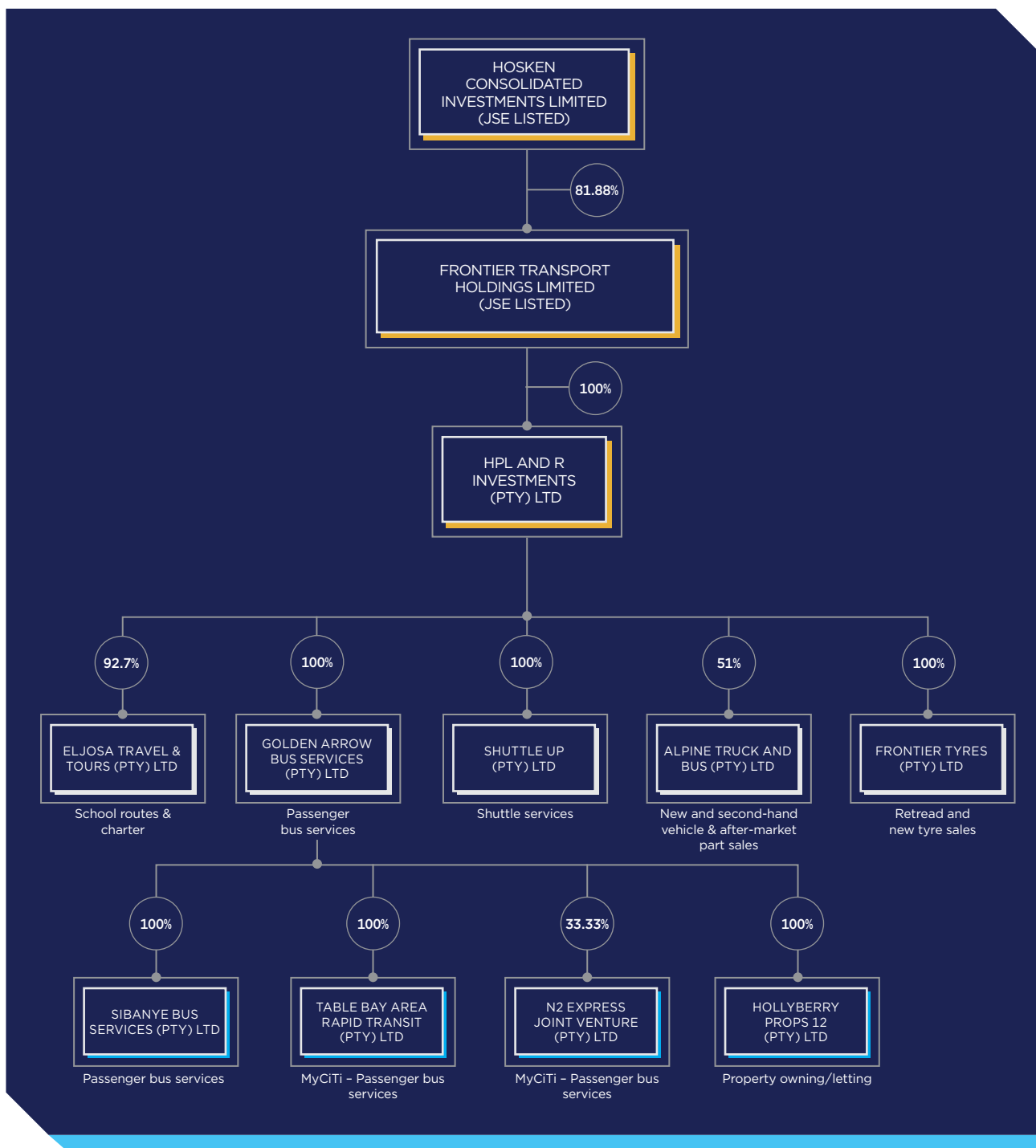
## INTRODUCTION

Frontier is an investment entity tailored to consolidate and expand opportunities in the mobility and logistics sectors.

Through its major subsidiary, Golden Arrow Bus Services Proprietary Limited with over 163 years of proven operational expertise, the Company aims to harness the combined institutional knowledge and skill sets to pursue further prospects in bus and coach operations and potential entrées into freight, rail and logistics operations.

## FRONTIER GROUP STRUCTURE

At 31 March 2024, the structure of the Group was as follows:





## GROUP OVERVIEW (CONTINUED)

### INVESTMENTS

#### GOLDEN ARROW BUS SERVICES (“GOLDEN ARROW” OR “GABS”)

Tracing its roots back to 1861, Golden Arrow has a fleet of 1 076 buses, serving more than 3 100 routes in metropolitan Cape Town, covering a total area of approximately 3 200 km<sup>2</sup>. Generally, the fleet travels over 59 million kilometres, conveying 50 million passengers annually, at a rate of approximately 230 000 passengers per weekday. Golden Arrow has, in all its forms, over the period of its 163-year history, continued to keep the bus service operational in order to provide the people of Cape Town with safe, affordable and reliable bus services.

For more information on Golden Arrow, please go to [www.gabs.co.za](http://www.gabs.co.za).

#### ELJOSA TRAVEL AND TOURS (“ELJOSA”)

ElJoSa was established in 2004 and operates 52 luxury and semi-luxury coaches in the schools and luxury tour markets with depots in Cape Town and Gauteng.

For more information on ElJoSa, please go to [www.ElJoSa.co.za](http://www.ElJoSa.co.za)

#### SIBANYE BUS SERVICES (“SIBANYE”)

Sibanye was established in 2001 and has a fleet of 50 buses providing services from Atlantis to the Cape Metropole.

#### TABLE BAY AREA RAPID TRANSIT (“TBRT”)

TBRT is contracted as a vehicle operating company for the City of Cape Town’s MyCiTi brand. It operates the trunk service along the Atlantic corridor from Table View to the CBD, as well as services from the CBD to Sea Point and Camps Bay and has a fleet of 74 vehicles.

#### N2 EXPRESS

The N2 Express service is a joint venture operated by Golden Arrow, Lisekhonikamva (CODETA) and Mitchells Plain Rapid Transit (Route Six) on behalf of MyCiTi. The service operates a fleet of 19 vehicles.

#### SHUTTLE UP

This business currently consists of a fleet of 14 vehicles operating in the shuttle service industry. The Group intends to utilise this business to increase its footprint in this sector.

For more information on Shuttle Up, please go to [www.shuttleup.co.za](http://www.shuttleup.co.za)

#### ALPINE TRUCK AND BUS (“ALPINE”)

Alpine Truck and Bus offers new and premium used trucks and buses and branded aftermarket spare parts for buses and trucks, operating from branches in Richards Bay, Durban and Cape Town.

For more information on Alpine, please go to [www.alpinetruckandbus.co.za](http://www.alpinetruckandbus.co.za)

#### FRONTIER TYRES

Frontier Tyres’ service offering features includes tyre retreading, new tyre sales, trailer and tyre inspections, rim refinishing and emergency tyre assistance.

For more information on Frontier Tyres, please go to [www.frontiertyres.co.za](http://www.frontiertyres.co.za)



# GROUP OVERVIEW (CONTINUED)

## KEY STATISTICS

		Year ended 31 March 2024	Year ended 31 March 2023
	Buses operated during peak	1 044	1 039
	Total annual kilometres travelled	59.2 million	63.8 million
	Number of staff employed	2 526	2 565
		Year ended 31 March 2024	Year ended 31 March 2023
	Buses operated during peak	62	59
	Total annual kilometres travelled	3.9 million	3.7 million
	Number of staff employed	229	233
		Year ended 31 March 2024	Year ended 31 March 2023
	Vehicles operated	50	50
	Total annual kilometres travelled	2.6 million	2.7 million
	Number of staff employed	66	61
		Year ended 31 March 2024	Year ended 31 March 2023
	Vehicles operated	12	10
	Total annual kilometres travelled	0.4 million	0.5 million
	Number of staff employed	14	12
		Year ended 31 March 2024	Year ended 31 March 2023
	Buses operated during peak	19	22
	Total annual kilometres travelled	2.8 million	2.8 million
	Number of staff employed	77	81



# GROUP OVERVIEW (CONTINUED)

## STATISTICS

	31 March 2024 R'million	31 March 2023 R'million	31 March 2022 R'million	31 March 2021 R'million	31 March 2020 R'million
Revenue	<b>2 606</b>	2 394	2 080	1 641	2 048
% change in revenue	<b>8.90%</b>	15.10%	26.80%	(19.87%)	15.10%
Other income	<b>47</b>	19	12	16	19
Operating expenses	<b>(2 077)</b>	(1 955)	(1 644)	(1 272)	(1 579)
Operating expenses as a % of revenue	<b>80%</b>	82%	79%	77%	77%
Operating profit	<b>575</b>	458	448	385	489
Operating margin	<b>22%</b>	19%	22%	23%	24%
Depreciation	<b>(105)</b>	(100)	(92)	(92)	(93)
Investment income	<b>57</b>	36	16	13	26
Income from equity accounted investments	<b>2.5</b>	7.2	1.4	(0.5)	0.4
Finance costs	<b>(24)</b>	(16)	(20)	(30)	(50)
Profit before tax	<b>506</b>	385	353	276	380
Tax	<b>(111)</b>	(107)	(96)	(77)	(117)
Effective tax rate	<b>22%</b>	28%	27%	28%	31%
Profit for the year	<b>394</b>	277	257	199	263
Non controlling interest	<b>(0.5)</b>	3.9	12.7	8.2	2.2
Equity attributable to equity holders of parent	<b>(1 381)</b>	(1 547)	(1 427)	(1 292)	(1 229)
Weighted average number of shares	<b>291</b>	290	290	290	290
HEPS (cents)	<b>132.4</b>	96	90	70	86.4
% change in HEPS	<b>37.92%</b>	6.70%	28.60%	(19.00%)	6.90%
Dividend per share (cents)	<b>186</b>	57	52	44	45
Shareholders equity	<b>(1 382)</b>	(1 543)	(1 414)	(1 284)	(1 227)
NAV per share (cents)	<b>475</b>	531	488	443	423
Share price (cents)	<b>645</b>	510	500	349	320
Price to NAV (times)	<b>1.36</b>	0.96	1.03	0.79	0.76
Cash and cash equivalents	<b>462</b>	679	578	498	490
Cash per share (cents)	<b>159</b>	234	199	172	169
ROE	<b>26.30%</b>	18.90%	19.40%	16.10%	21.40%
Capital Employed	<b>2 326</b>	2 410	2 325	2 302	2 364
Turnover to Capital Employed	<b>1.12</b>	0.99	0.89	0.71	0.87
Employee costs	<b>980</b>	901	887	781	878
Employee costs as a % of revenue	<b>37.60%</b>	37.60%	42.70%	47.60%	42.90%
CEO remuneration	<b>10.5</b>	9.3	8.7	9.3	8
CFO remuneration	<b>7.9</b>	7.1	6.5	7.4	6.5
Total number of shares held by CEO	<b>297 048</b>	163 833	121 569	121 569	107 569
% of total shares issued	<b>0.10%</b>	0.06%	0.04%	0.04%	0.04%
Acquisition of property, plant and equipment	<b>58</b>	32	12	7	39
Bus additions per instalment sale obligations	<b>170</b>	72	13	28	160
Golden Arrow Bus Services (Pty) Ltd					
Breakdowns per 100 000 km	<b>3</b>	3	3	2	3
Fleet Age Average Years	<b>10</b>	10	10	10	9
Fuel Consumption (km per litre)	<b>2.62</b>	2.51	2.54	2.65	2.53

# GROUP OVERVIEW (CONTINUED)

## SHAREHOLDER ANALYSIS

Listed below is an analysis of shareholdings extracted from the register of ordinary shareholders at 31 March 2024.

### DISTRIBUTION OF SHAREHOLDERS

Share range	Number of shareholders	% of shareholders	Number of shares	% of issued capital
1 – 1 000	3 182	66.48%	731 318	0.24%
1 001 – 10 000	1 159	24.21%	4 094 240	1.41%
10 001 – 50 000	352	7.35%	7 147 101	2.45%
50 001 – 100 000	51	1.07%	3 685 344	1.27%
100 001 – 500 000	28	0.58%	5 896 696	2.03%
500 001 – 1 000 000	4	0.08%	2 789 113	0.96%
1 000 001 shares and over	11	0.23%	266 836 442	91.64%
<b>Total</b>	<b>4 787</b>	<b>100.00%</b>	<b>291 180 254</b>	<b>100.00%</b>

### TYPE OF SHAREHOLDER

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Banks	3	0.06%	3 827 267	1.31%
Brokers	10	0.21%	2 275 057	0.78%
Close Corporation	19	0.40%	52 890	0.02%
Other Corporation	148	3.09%	780 184	0.27%
Funds	8	0.17%	6 622 554	2.27%
Individuals	4 146	86.61%	13 512 796	4.64%
Investment company	21	0.44%	245 248 392	84.23%
Private Company	214	4.47%	10 673 347	3.67%
Public Company	5	0.10%	4 398 710	1.51%
Trust	213	4.45%	3 789 057	1.30%
<b>Totals</b>	<b>4 787</b>	<b>100.00%</b>	<b>291 180 254</b>	<b>100.00%</b>

### 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	81.88%

### SHAREHOLDER SPREAD

To the best of the knowledge of the directors and after reasonable enquiry, the spread of shareholders at 31 March 2024, was as follows:

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
<b>Public shareholding</b>	<b>4 777</b>	<b>99.79%</b>	<b>51 422 002</b>	<b>17.66%</b>
<b>Non-Public shareholding</b>	<b>10</b>	<b>0.21%</b>	<b>239 758 252</b>	<b>82.34%</b>
HCI (direct)	1	0.02%	232 777 041	79.94%
HCI (indirect)	1	0.02%	5 659 768	1.94%
FE Meyer (direct)*	1	0.02%	297 048	0.10%
FE Meyer (indirect)*	1	0.02%	256	0.00%
ML Wilkin (direct)*	1	0.02%	99 743	0.03%
JR Nicolella (direct)*	1	0.02%	5 185	0.00%
JR Nicolella (indirect)*	2	0.04%	9 727	0.00%
TG Govender (direct)*	1	0.02%	87 808	0.03%
TG Govender (indirect)*	1	0.02%	821 676	0.28%
<b>Total</b>	<b>4 787</b>	<b>100%</b>	<b>291 180 254</b>	<b>100%</b>

\* directors







# STAKEHOLDERS

## VALUE-CREATION ACTIVITIES:

Passengers



Delivery of safe and reliable scheduled passenger transport

Suppliers



B-BBEE, contracting and subsequent payment for goods and services

Government



Participation in optimised regulation of industry and lobbying

Regulatory bodies



Long-term engagement with Provincial Regulating Entity to ensure compliance

Industry



Involvement at various levels in the South African Bus Operators Association (SABOA)

Employees/ Unions



Employment, remuneration, employee development and other employee benefits

Shareholders/ investors



Dividends and share price appreciation

Communities/ Environment



Investment in community projects and increased focus on sustainability initiatives



# STRATEGY

Frontier Transport Holdings creates value for its shareholders by seamlessly blending its wealth of institutional knowledge with a passion for customer service excellence, innovation, and a focus on sustainability.

## Frontier's core strategy consists of:

- Consolidating and maximising the performance of existing investments;
- Identifying and acquiring transport and logistics related businesses in niche markets;
- Leveraging economies of scale and industry expertise in existing operations as a basis for pursuing investment opportunities with feasible risk and reward profiles; and
- Incorporation of new technologies, digital solutions, and alternative energy sources across Group entities to embed resilience, optimise efficiencies, reduce risk and address sustainability goals.

## Frontier increases shareholder value by:

- *Enhancing the value of established business operations*

Optimising value creation within its current business operations by continuously improving operating margins and operating efficiencies across the entire business value chain.

- *Entrenching first tier status of its entities operating under public transport contracts*

The Group strives to deliver over and above the stipulated mandate in contracts that are subsidy-based to entrench the Group's legacy as an accomplished public transport service operator.

- *Harnessing competencies in logistic driven operations to gain entrée into niche markets*

We seek to identify opportunities across the entire logistics value chain that have synergies with existing businesses which can be effectively integrated to deliver organic growth.

## Strategic focus areas:

- Improved operating margins through an automated fare collection system, savings on unproductive kilometres and on-going fleet recapitalisation;
- Use of existing diverse skill sets in the management of passenger transport operations to identify and pursue future acquisitions;
- Expansion of existing operations into new areas;
- Pursue vertical integration opportunities across the Group's value chain;
- Diversified use of the custom-built Training and Recruitment Centre to equip employees with the skills necessary to meet rapidly advancing operational needs and to supply services to external clients; and
- Optimisation of benefits offered by sustainable technologies throughout operations, which includes countering rising fuel costs by introducing electric vehicles.



# CHAIRPERSON AND CHIEF EXECUTIVE OFFICER'S REPORT

Frontier Transport Holdings produced a solid performance on the back of strong operating results achieved by its commuter bus subsidiaries that was adequately complemented by earnings garnered from its investments in recently acquired ancillary entities.

Whilst commuter bus services remain the core of the Frontier operating model, the Group's strategic diversification into allied sectors to hedge against the vagaries of fiscal allocation to the public transport sector, has been vindicated by the mounting returns from the non-commuter bus entities.

The Group is pleased to show attributable Group profit for the period of R394.5 million (a 42.2% increase on prior year) and headline earnings at R385.3 million (an increase of 38.1% on prior year). Revenue increased by 8.9% to R2.61 billion, and operating costs increased by 6.3% to R2.08 billion, resulting in a 25.6% increase in operating profit (EBITDA) of R575.5 million. The increase in finance costs of 45.1% is mainly due to the acquisition of new commuter buses. Investment income increased by 60.1% from R35.6 million to R56.9 million in the current period. The N2 Express JV Proprietary Limited contributed R2.5 million to the Group's profit from equity accounted investment for the period.

## GOLDEN ARROW BUS SERVICES

Operations of commuter bus services are impacted by a range of inputs that are fundamentally exposed to external factors, which are by and large out of direct operational control. Typically exchange rate fluctuations acutely influence the costs associated with fuel purchases and the procurement of spares and supplies, which constitute *circa* 40% of GABS' operating costs.

By instituting measures to mitigate the impact of these external factors, Golden Arrow generated R70 million savings in fuel costs through *inter alia* new, advanced controlled acceleration software and continuing with their fleet replacement, which combined, realised R21 million from improved fuel efficiencies. An additional R21 million was saved by trimming unproductive kilometres and also benefiting from a lower fuel price (R28 million) during the reporting period. Concurrent to this, rigorous attention was given to the judicious procurement of foreign currency denominated spares and supplies to circumvent OEM price gouging practices that are pervasive in the motor vehicle spares market.

GABS continues its legal challenges of applying across the board increases in certain job categories in which the company already pays higher than the prescribed bargaining council rates and the setting aside of the Minister of Labour's flawed extension of the main collective agreement to non-parties.

Congested labour court rolls have regrettably stalled the outcomes of these applications, which have obstructed engaging in meaningful relations with organised labour. It is expected that the outcomes of these legal challenges will be finalised during the current financial year and the conclusion thereof should allow for a framework to conduct constructive labour relations at shopfloor level.

Vindicated by extensive testing, the decision by the GABS board to proceed with the purchase of 120 electric buses from BYD China for the next financial year, heralds a seminal juncture in the history of the company and the commuter bus industry at large.

The switch from internal combustion engines (ICE) to electrically powered buses have empirically been forecasted to yield significant reductions in overall operating costs, and the groundwork associated with the strategic installation of charging stations in depots, proper route scheduling and the appropriate skilling of the labour force, both technically and operationally, have commenced in earnest in anticipation of the scaled rollout.

A pivotal element in the transition to EV buses is the access to reliable sources of energy supplies. GABS' ongoing installation of internal solar generation capability has yielded significant returns with the achievement of a 75% reduction of electricity received from the national grid over a period of eight years. In tandem with wheeled supply options being considered, the internal solar footprint project is ongoing with additional estate being earmarked for solar installations.

Increasingly Artificial Intelligence (AI) and Internet of Things (IoT) applications have been progressively embedded in the operations value chain and maintenance regime, which places the company at the cusp of integrating digital technology into the mainstream of its internal processes. These include the capability of on-line ticket purchasing, enhanced interior and exterior bus surveillance, diagnostic technical inspections, access to WiFi and real-time monitoring of bus movements.



# CHAIRPERSON AND CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

The deployment of appropriate technologies and the concurrent sourcing and skilling of a new generation workforce lies at the centre of the company's strategic vision as it navigates the evolving contours of a rapidly changing mobility landscape.

## TABLE BAY RAPID TRANSIT

As the operating contract of Phase 1A in the City of Cape Town's Bus Rapid Transit system reaches its penultimate year, TBRT achieved the most compliant vehicle operating company accolade, which should stand it in good stead when the next phase is adjudicated. Despite an ageing fleet, the 62 peak bus operation nominally exceeded the prior year's NPAT.

## SIBANYE BUS SERVICES

With a growing and loyal passenger base, Sibanye posted an impressive 19% increase in NPAT over the reporting period. The blue liveried buses of Sibanye have become entrenched as the mode of choice of residents commuting between the western rural hinterland and the City.

## ELJOSA TRAVEL & TOURS

Buttressed by replacement vehicles, a resurgent tourist sector, a loyal schools' clientele and accreditation on the City's central supplier database, the luxury coach subsidiary posted a creditable increase in NPAT over the reporting period.

## ALPINE TRUCK & BUS

During the review period, Alpine has weaned itself from its initial primary reliance on the sale of GABS buses through expanding its Parts Retail sales, and obtaining the franchise of a premium truck brand which has found favourable acceptance in the local market. The company has secured an anchor client for the truck purchases and the long-term prognosis for the significant scaling of truck sales is promising. The company posted a commendable 6-fold increase on the budgetary NPAT target over the review period.

## FRONTIER TYRES

Frontier Tyres turned a reported loss during the previous year to a nominal positive NPAT over the reporting period. This can be ascribed to the installation of additional plant, which boosted the company's retreading capacity whilst general sales were augmented by the appointment of additional field sales personnel. The company is well geared to fully optimise the additional capacity to take advantage of reduced opposition in the competitive local market.

## SHUTTLE UP

The performance of the 12-vehicle shuttle service was disrupted by the departure of the CEO and the write-off of debt during the review period. Management of the company will resort under ElJoSa Travel & Tours and with the onboarding of dedicated sales staff and enhanced on-line booking capability, it is poised to optimise on increasing visitor and business traffic commuting via Cape Town International Airport.





# CORPORATE GOVERNANCE

## BOARD OF DIRECTORS



**Yunis Shaik**  
*Non-executive chairperson*  
B.Proc  
**Appointed:** 1 February 2018  
**Nationality:** South African  
**Age:** 66  
**Board committees:**  
Social and Ethics

**Expertise and experience:** Prior to his appointment at Hosken Consolidated Investments Limited (“HCI”), Yunis was an attorney of the High Court and served as an acting judge in the Labour Court. He is a former Deputy General Secretary of the Southern African Clothing and Textile Workers Union (“SACTWU”) and a director of Workers’ College. He has served as Senior Commissioner of the Commission for Conciliation, Mediation and Arbitration (“CCMA”) in KwaZulu-Natal. Yunis is a non-executive director of Tsogo Sun Gaming Limited, Deneb Investments Limited and eMedia Holdings Limited. He has also served on the board of Golden Arrow Bus Services Proprietary Limited since 2014.



**Kevin Govender**  
*Non-executive director*  
B.Comm (Hons), B.Compt (Hons)  
**Appointed:** 1 February 2018  
**Nationality:** South African  
**Age:** 54  
**Board committees:**  
Remuneration

**Expertise and experience:** Kevin joined the HCI Group in 1997 where he held the position of company secretary until his promotion to chief financial officer in 2001 which he held until 2018. Kevin is a non-executive director of Deneb Investments Limited, eMedia Holdings and Montauk Holdings Limited. He has also served on the board of Golden Arrow Bus Services Proprietary Limited since 2006.



**Rob Nicoella**  
*Non-executive director*  
CA (SA)  
**Appointed:** 3 May 2022  
**Nationality:** South African  
**Age:** 55  
**Board committees:**  
None

**Expertise and experience:** Rob is currently the financial director of HCI. He joined the HCI Group in 2011 to develop the HCI Properties portfolio and was appointed to the board in May 2019 as an executive director and as financial director from August 2019. He is a director on the boards of Impact Oil and Gas and Tsogo Sun Hotels. Rob is a chartered accountant and has attended a leadership and development programme (“LDP”) at Harvard University. During his 18-year tenure at Investec Bank, Rob headed the Structured Finance Division (Western Cape) and thereafter, Private Bank Western Cape.



**Francois Meyer**  
*Chief executive officer*  
Dip Trans, B.Comm, MBA  
**Appointed:** 6 March 2018  
**Nationality:** South African  
**Age:** 62  
**Board committees:**  
Social and Ethics

**Expertise and experience:** Francois has been working in the scheduled bus operations industry for over 30 years and started his career in transport at United Transport’s Western Bus Lines, in the North West, in 1985. He joined Golden Arrow Bus Services Proprietary Limited in 1991 as project manager overseeing the Company’s Moss gas contract. He was appointed operations manager in 1993, assumed the position of general manager in 2004 and became chief executive officer in 2015. He was appointed to the board of Frontier as chief executive officer on 6 March 2018. He is a director of the South African Bus Operators Association (“SABOA”).

## CORPORATE GOVERNANCE (CONTINUED)



**Mark Wilkin**  
*Chief financial officer*  
 B.Comm, CA(SA)  
**Appointed:** 6 March 2018  
**Nationality:** South African  
**Age:** 70  
**Board committees:**  
 None

**Expertise and experience:** Mark joined City Tramways in 1983 and was appointed financial director in 1988. In 1992 he was part of the consortium formed by the management team to buy the business of City Tramways from TGH Limited and formed Golden Arrow Bus Services Proprietary Limited, where he has been financial director since 1992. He was appointed to the board of Frontier as chief financial officer on 6 March 2018.



**Mimi Freddie Magugu**  
*Independent non-executive director*  
 BA (Theology)  
**Appointed:** 5 October 2023  
**Nationality:** South African  
**Age:** 64  
**Board committees:** Remuneration, Social and Ethics, Audit and Risk

**Expertise and experience:** Freddie has been serving the community in East London and Mitchells Plain as a pastor since 2006. Prior to this appointment he reached the position of national organising secretary for the Southern African Clothing and textile Worker's Union. Freddie was appointed to the board of HCI as a non-executive director in April 1998 and to the Frontier Transport Holdings and Golden Arrow Bus Services' boards in 2023.



**Nqobani Mkhwanazi ("Bani")**  
*Independent non-executive director*  
 B.A. (Politics, Philosophy and Economics)  
**Appointed:** 1 May 2024  
**Nationality:** South African  
**Age:** 39  
**Board committees:** Audit and Risk

**Expertise and experience:** Bani is currently a non-executive director for Hosken Consolidated Investments Limited ("HCI") and has filled this position since September 2019. Bani joined the HCI Group in 2013 and was part of the inaugural team of HCI Properties. Prior to joining HCI she was employed at Investec Bank in the property finance division. Her focus at Investec Bank was funding property developers and institutional clients acquiring, constructing, and refurbishing property assets across all asset classes. She is currently a portfolio manager at Khumo Capital and a trustee of the HCI Foundation.



**Loganathan Govender ("Logie")**  
*Lead independent non-executive director*  
 B.Comm, CA(SA)  
**Appointed:** 6 March 2018  
**Nationality:** South African  
**Age:** 76  
**Board committees:**  
 Remuneration, Audit and Risk

**Expertise and experience:** Logie is the sole proprietor of the auditing firm, Logie Govender & Co which is the oldest black-owned auditing practice in South Africa. He has over 40 years' experience as a practising auditor. Logie is an independent non-executive director of eMedia Holdings Limited.



**Rachel Watson**  
*Independent non-executive director*  
**Appointed:** 17 April 2019  
**Nationality:** South African  
**Age:** 65  
**Board committees:**  
 Audit and Risk, Social and Ethics

**Expertise and experience:** Rachel served as a manager at a regional radio broadcaster. Prior to this appointment she was employed for 33 years within the clothing industry, serving as a trade union representative and national media officer. Rachel is an independent non-executive director of eMedia Holdings Limited, Tsogo Sun Gaming Limited and HCI.

# **CORPORATE GOVERNANCE** (CONTINUED)

The report below outlines the board's approach to corporate governance and the structures put in place to meet the board's objectives in relation to good corporate governance.

## **APPROACH TO CORPORATE GOVERNANCE**

The board is fully committed to good corporate governance and is guided by the values of ethical behaviour throughout the business and plays a pivotal role in overseeing the delivery of the strategy; supporting effective decision-making and ensuring key risks are identified and properly managed.

The board endorses the principles of fairness, responsibility, transparency and accountability and is committed to unwavering standards of business integrity and ethics in its business activities. The board fully recognises the fact that robust corporate governance practices enhance both shareholder value and the long-term sustainability of the business, and as such, endeavours to implement and review the Group's governance structures and processes to make certain that they support effective and ethical leadership, good corporate citizenship and sustainable development.

As a corporate citizen, Frontier has a responsibility to conduct its affairs with diligence and care, and to safeguard the interests of all stakeholders. The board is accountable for the strategy, direction and corporate behaviour of the Company. This includes oversight of policies and procedures that promote Company conduct in accordance with the Group's code of ethics.

The board endorses and is satisfied that Frontier, in all material aspects, complies with the major recommendations of the King IV™ code to ensure sound corporate governance structures are applied within the Group. Readers are referred to the Frontier Transport Holdings King IV™ application register available on the company's website at [www.frontiertransport.co.za](http://www.frontiertransport.co.za) for more detail on the application of King IV™ and the Corporate Governance structure being instituted by the Group.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

The directors confirm that, to the best of their knowledge, the Group has complied with the provisions of the Companies Act of South Africa and operated in accordance with its memorandum of incorporation, during the year under review.

## **THE BOARD**

The board is responsible for leading and controlling the strategic and governance direction of the Group and is regulated by a formal charter that sets out the roles and responsibilities of the directors. The charter clearly specifies the division of responsibilities and sets out the practices and processes the board follows to discharge its responsibilities. The charter specifically sets a description of roles, functions, responsibilities and powers of the board, the shareholders, the chairperson, individual directors, company secretary and any prescribed officers and executives of the Company.

The directors have determined the decision-making authority given to management as well as those matters reserved for decision-making by the directors. The board charter provides a clear balance of power and authority at board level, such that no one individual or block of individuals can dominate the board's decision-making.

The independent non-executive directors bring independent judgement to issues tabled at director meetings including Group strategy, performance and standards of conduct. Where appropriate, they constructively challenge the executives and ensure that the obligations towards the Company's shareholders are met. Executive directors contribute insight into daily operations.

The boards of the Company's major subsidiaries and operating divisions similarly constitute the necessary mix of skills, experience and diversity.

The board has delegated powers and responsibilities to the elected committees to execute the strategy and ensure that the objectives, as determined by the individual charters, are met. This ensures that there is a clear division of responsibilities at board level, which safeguards against an individual exercising an unfettered power of decision-making.

The board has unrestricted access to the external auditors, professional advisors, the services of the company secretary, the executives and the staff of the Company at any given time. Should a director require independent professional advice on any matters, the board has agreed that this can be taken at the Company's expense.

## **CORPORATE GOVERNANCE** (CONTINUED)

The board is evaluated every two years on a collective basis, and the CEO is evaluated annually on an individual basis. Such evaluation is based on a performance benchmark set by the board in its charter. In turn, the board evaluates the performance and effectiveness of the board sub-committees every two years.

### **CHAIRPERSON AND CEO**

The chairperson leads the board and is responsible for the governance of the board and facilitates constructive relations between executive and non-executive directors. It should be noted that the current chairperson, Mr Y Shaik, is not an independent director due to his directorship of HCI. In this regard, the Company has appointed Mr L Govender as lead independent director to act as chairperson where the independence of the chairperson may be compromised. Given the chairperson's knowledge of the business and his commercial experience, the board deems this arrangement appropriate and essential in achieving the Group's business objectives.

The division of responsibilities of the chairperson and CEO has been documented and approved by the board to ensure a balance of power. There is a clear division between the role of the chairperson and the CEO who is fully responsible and accountable for the operations of the Company, and whose role and function is formalised.

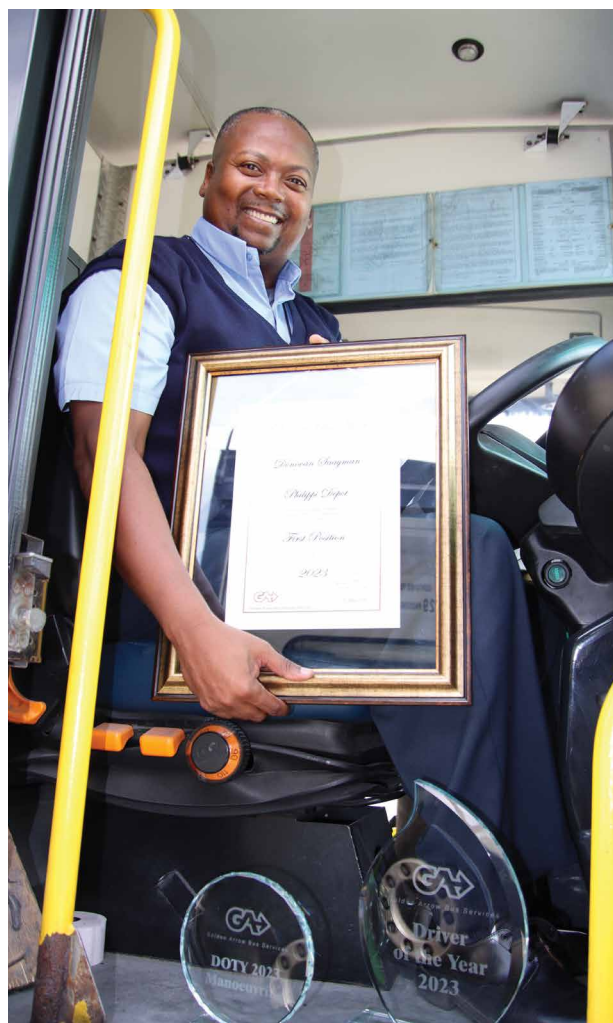
The board has delegated the power to manage the daily operations of the Group to the CEO, who may delegate some of these powers. The CEO is supported by the executive management team of the individual subsidiary companies.

### **BOARD COMPOSITION, GENDER AND RACE DIVERSITY**

The board of directors comprises seven non-executive directors, four of which are independent, and two executive directors. The Company's ultimate controlling shareholder is HCI and is represented on the board by Mr Y Shaik, Mr K Govender and Mr JR Nicoletta, who are executive directors of HCI.

The composition of the board is regularly reviewed to ensure balance of power and authority, negate individual dominance in decision-making processes and to promote race and gender diversity per the gender and race diversity policy.

The board has adopted and approved a gender and race diversity policy and will, in identifying suitable candidates for appointment as directors, consider candidates on merit against objective criteria with due regard for the potential benefits of gender and race diversity. Aspects of diversity encompassed in the policy, include, but are not limited to, making good use of differences in skills, industry experience, age, race, gender and other distinctions between members of the board. The board's aim is to ensure that at all times the Company has at least one female director. In addition, the board's aim is to ensure that at least two of the directors are "black people" as defined in the Broad-based Economic Empowerment Act, 2003, as amended.



# CORPORATE GOVERNANCE (CONTINUED)

## MEETINGS OF THE BOARD

The board of directors are scheduled to meet at least four times in a financial year, with additional meetings being held, if necessary, to deal with matters that require the board's attention between the regular quarterly meetings. Directors are provided with substantive board papers adequately in advance of the scheduled meetings, to enable them to consider issues on which they are required to make decisions. The following table details each director's attendance during the year under review:

	May 2023	August 2023	November 2023	March 2024
Y Shaik	✓	✓	✓	✓
TG Govender	✓	✓	✓	✓
L Govender	✓	✓	✓	✓
RD Watson	✓	✓	✓	✓
FE Meyer	✓	✓	✓	✓
ML Wilkin	✓	✓	✓	✓
JR Nicolella	✓	✓	✓	✓
NB Jappie	✓	✓	R	R
MF Magugu	NA	NA	✓	✓

✓ Attendance  
 x Apologies  
 NA Not appointed  
 R Resigned

## CONFLICTS OF INTEREST

The company secretary keeps a register of declarations of interest for all directors. Directors are not disqualified from contracting with the Group by virtue of their office. However, full disclosure of the nature of a director's interest is made at every board meeting. Should a matter arise in which a director has an interest, the director is disqualified from voting and is required to recuse him/herself from any meeting where the matter is discussed.

Executive directors must distinguish between their role as director and that of manager. Should they be unable to reconcile the two roles, they are required to withdraw from the discussion and the voting.

## DEALING IN THE COMPANY'S SECURITIES

Frontier has adopted a Group-wide share dealing policy to ensure compliance with the continuing obligations of the JSE Listings Requirements. This policy prohibits all directors and employees who have access to financial results and other price-sensitive information from dealing in Frontier's shares during certain prescribed prohibited periods, as defined by the JSE or when the Company is operating under a cautionary announcement.

The company secretary is charged with disseminating written notices to inform these employees of the insider trading legislation and to advise on closed periods. Details of share dealings by Frontier's directors or their subsidiaries are required to be disclosed to the board and the JSE through the Stock Exchange News Service ("SENS"). Written requests by directors and their associates, officers and senior personnel to trade in shares and the requisite approval to trade in Frontier's shares, outside of closed periods, are kept on record at Frontier's office.

## WHISTLE-BLOWER HOTLINE

The Frontier Group is committed to conducting healthy business practices with honesty and integrity. For this reason, the Company subscribes to a whistle-blowing service that enables all stakeholders to report anonymously on suspected dishonest behaviour. This service is administered independently by a professional services firm, and enables all stakeholders to anonymously report environmental, safety, ethics, accounting, auditing and control issues or other concerns. Awareness is created by advertising on staff notice forums and subsidiary company websites. The follow-up on all reported matters is co-ordinated by internal audit and reported to the audit and risk committee at each committee meeting.



# CORPORATE GOVERNANCE (CONTINUED)

## COMPANY SECRETARY

HCI Managerial Services Proprietary Limited, a juristic person, is the appointed company secretary of the Group and is appointed by the board in terms of the Companies Act and in accordance with JSE Listings Requirements.

The board has assessed, through discussion and assessment, the directors and the designated staff of the Company fulfilling the role of company secretary and is satisfied that they have the competence, qualifications and experience to effectively fulfil the role of company secretary. The company secretary provides support and guidance to the board in matters relating to governance, ethical conduct and fiduciary duties.

Where required, the company secretary facilitates induction and training for directors and co-ordinates the annual board evaluation process. Directors have unrestricted access to the advice and services of the company secretary while maintaining an arm's-length relationship between the board and the company secretary.

The company secretary attends all board and committee meetings.

The certificate that the company secretary is required to issue in terms of section 88(2)(e) of the Companies Act of South Africa, is included on page 37 of this Annual Report.

## COMMITTEES OF THE BOARD

The board of directors has delegated certain specific responsibilities to the following committees:

- Audit and risk committee
- Remuneration committee
- Social and ethics committee

Whilst overall responsibility remains with the board, the committees assist the board in discharging its responsibilities and duties. Full transparency and disclosure of committee deliberations is encouraged, and the minutes of all committee meetings are included in the agendas of subsequent board meetings with the chairperson of the sub-committees giving feedback to the board.

All committees are empowered to obtain such external or other independent professional advice as they consider necessary to carry out their duties. These committees play an important role in enhancing good corporate governance and improving internal controls and, as a result, the Group's performance. Each sub-committee acts according to its charter or mandate, approved by the board and reviewed annually, which sets out its purpose, membership requirements, and duties and reporting procedures.

Notwithstanding the delegation of functions to the sub-committees, the board remains ultimately responsible for the proper fulfilment of such functions, except in the case of the audit and risk committee functions relating to the appointment, fees, and terms of engagement of the external auditor.



# REPORT OF THE AUDIT AND 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 the year ended 31 March 2024.

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

- L Govender (Chairperson)
- RD Watson
- NB Jappie (resigned 1 September 2023)
- MF Magugu (appointed 5 October 2023)
- SNN Mkhwanazi (appointed 1 May 2024)

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	Number of meetings attended by member
L Govender	4
RD Watson	4
NB Jappie	2
MF Magugu	2

## 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 3.84(g)(iii) 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 2024 financial year;
- considered the nature and extent of non-audit services provided by the external auditor for the financial year ended 31 March 2024 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;



# REPORT OF THE AUDIT AND RISK COMMITTEE

(CONTINUED)

- reviewed the accounting policies and consolidated annual financial statements for the year ended 31 March 2024 and based on the information provided to the committee, considers that the Group complies, in all material aspects, with the requirements of IFRS Accounting Standards, the SA financial reporting requirements' per section 8.60 of the JSE Listings requirements, 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.

## 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 co-operation 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 agreed the internal audit plan, reviewed the internal audit reports and interrogated the findings directly with 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 the risk management policies (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.



# REPORT OF THE AUDIT AND RISK COMMITTEE

(CONTINUED)

## 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](http://www.frontiertransport.co.za).

## RECOMMENDATION OF THE ANNUAL 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.

The committee has reviewed the stand-alone and consolidated annual financial statements of the Company and is satisfied that they comply with IFRS Accounting 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 statement 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 annual financial statements have been recommended for approval by the board.

## RECOMMENDATION OF THE INTEGRATED ANNUAL REPORT

The committee has evaluated the 2024 Integrated Annual Report and based on the information provided, has recommended it for approval to the board.



**L Govender**  
*Chairperson*

Audit and risk committee



# REPORT OF THE REMUNERATION COMMITTEE

The Group's remuneration committee comprises of the following members:

- TG Govender (chairperson);
- L Govender;
- NB Jappie (resigned 1 September 2023); and
- MF Magugu (appointed 5 October 2023)

Members of the remuneration committee are all non-executive directors, the majority of which are independent. The chairperson of the remuneration committee is not independent, the board however, deems this necessary to align the Company's remuneration policy with the corporate strategy of the larger HCI Group. The chief executive officer attends the meetings of the remuneration committee at the request of the committee but recuses himself from the meeting before any decisions are made.

The remuneration committee held two formal meetings during the financial year ended 31 March 2024, which were attended by committee members as follows:

Committee member	Number of meetings attended by member
TG Govender	2
L Govender	2
NB Jappie	1
MF Magugu	1

The Group's Remuneration Policy and the Implementation Report is tabled at each annual general meeting of the Group for a separate non-binding advisory vote by shareholders. Such policy will record the measures that the board will adopt should either the Remuneration Policy or the Implementation Report, or both, be voted against by 25% or more of the votes exercised at such annual general meeting. In this regard, should 25% or more of the votes exercised on this resolution at the annual general meeting be against such Policy or Report, Frontier will in its voting results announcement include an invitation to dissenting shareholders to engage with Frontier and the board, as well as the manner and timing of such engagement.

## FUNCTION AND ROLE OF THE REMUNERATION COMMITTEE

The remuneration committee is primarily responsible for reviewing and approving the remuneration and incentives of the executive directors and approving and awarding share incentives to executives and key management of the Group. It takes cognisance of local best practice relating to remuneration to ensure that such total remuneration is fair and reasonable to both the employee and the Company.

In addition, the remuneration committee assists the board in reviewing non-executive directors' remuneration recommendations, which are voted on at each annual general meeting of shareholders.

The remuneration committee focuses on ensuring that the Company's Remuneration Policy and framework is appropriate and relevant based on key principles including:

- the alignment of executive's remuneration and incentives with the Group's strategy to enhance and protect shareholder value;
- to determine and monitor the criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities. The level of remuneration should be directly linked to corporate and individual performance; and
- remuneration packages should be designed to attract and retain people of the required calibre.

## REMUNERATION POLICY

### EXECUTIVE DIRECTORS' REMUNERATION

The remuneration committee is satisfied that the Remuneration Policy is aligned with the Company's remuneration philosophy. The executives' remuneration is reviewed annually by the remuneration committee, who seek to ensure a balance between the executives' base salary, which is fixed, and the variable elements of their remuneration such as bonuses and share options. The salary increases of the executives are usually similar to the average employees' salary increase, for non-union staff members.

# REPORT OF THE REMUNERATION COMMITTEE

(CONTINUED)

As part of achieving and maintaining reasonable, acceptable levels of remuneration, the remuneration committee focuses on the following strategic components to remuneration:

- Fixed: representing basic salaries and benefits commensurate with market levels and with the goal of attracting and retaining suitable executives.
- Annual incentive awards: an incentive bonus linked to performance of the Group. Upon the Group achieving the required performance targets, executives are entitled to two-thirds of the performance bonus following the respective financial year-end, while the remaining one-third is carried over to be paid in the following financial year.
- Long term incentives: The Group operates a share option scheme, which is discussed in more detail below.

The remuneration and incentive bonuses of the executive directors is paid by the Group's major subsidiary, Golden Arrow Bus Services, however, and is subject to approval by the remuneration committee.

## NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors receive fixed fees for their services as directors of the board and as members of board sub-committees. These fees are reviewed annually by the remuneration committee and are recommended by the board to shareholders for approval at the annual general meeting.

The proposed fee structure, subject to shareholder approval, effective from 1 September 2024 to the 2025 annual general meeting of shareholders is set out in the table below:

Type of fee	Current Fee	New Proposed Fee
	(excl VAT)	(excl VAT)
Board members – annual fee	R140 490	149 622
Board committee members – annual fee*	R58 080	R61 855

\* Where a non-executive director is a member of more than one board committee of the Company, the annual board committee fee is limited to R61 855.

These fees are comparable with those of similarly sized companies. Non-executive directors do not receive short-term incentives and do not participate in the Group share option scheme.

The Group pays all reasonable travelling and accommodation expenses incurred to attend board and committee meetings.

## GROUP EMPLOYEE OPTION SCHEME

The Group operates a share option scheme, known as 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 that number of shares that equates 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. The maximum number of shares that may be utilised for the purposes of the Scheme is 21 750 000 shares.

In terms of the Scheme, share options, are awarded to eligible participants at a 10% discount to the 20-business day volume weighted average middle market price, as at the grant date. The number of share options granted is determined using a multiple of the participant's salary, divided by the discounted market price.

Refer to the Implementation of the Remuneration Policy below for details of the share options awarded to executive directors.

## IMPLEMENTATION OF THE REMUNERATION POLICY

The remuneration committee is satisfied that the Group complied with the Remuneration Policy for the 2024 financial year. The board endorses the remuneration committee's position that the Group's Remuneration Policy appropriately takes into account the remuneration and employment conditions of employees in the Group as well as relevant external factors.



# REPORT OF THE REMUNERATION COMMITTEE

(CONTINUED)

## REMUNERATION

The executive directors' remuneration and incentive bonuses were approved by the remuneration committee and endorsed by the board. Salary increases for the 2024 financial year were in line with inflation and average increases applied to non-unionised staff across the Group.

The following sets out the remuneration paid to directors for the years ended 31 March 2024 and 31 March 2023.

### Directors fees paid by Frontier Transport Holdings Group and its subsidiaries

Year ended 31 March 2024	Paid by Frontier Transport Holdings		Paid by Golden Arrow Bus Services				Total 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	
<b>Executive directors</b>							
FE Meyer	-	3 737	1 073	349	4 729	569	10 457
ML Wilkin	-	2 928	620	274	3 703	387	7 912
<b>Non-executive directors</b>							
L Govender	222	-	-	-	-	-	222
NB Jappie	77	-	-	-	-	-	77
MF Magugu	99	-	-	-	-	-	99
RD Watson	193	-	-	-	-	-	193
<b>Total</b>	<b>591</b>	<b>6 665</b>	<b>1 693</b>	<b>623</b>	<b>8 432</b>	<b>956</b>	<b>18 960</b>

### Directors fees paid by Hosken Consolidated Investments Group and its subsidiaries

Year ended 31 March 2024	Paid by E-media Holdings		Paid by Deneb Investments		Paid by Tsogo Sun		Paid by Hosken Consolidated Investments		
	Directors' fees R'000	Directors' fees R'000	Directors' fees R'000	Directors' fees R'000	Salary R'000	Fringe benefits including medical aid R'000	Bonus R'000	Gain from share schemes R'000	Total R'000
<b>Executive directors</b>									
Y Shaik	-	-	-	-	4 763	-	3 096	3 245	11 104
TG Govender	-	-	-	-	2 399	-	1 560	3 270	7 229
JR Nicolella	-	-	-	-	5 624	125	3 737	3 918	13 404
L Govender	223	-	-	-	-	-	-	-	223
NB Jappie	-	292	-	-	-	-	-	-	292
RD Watson	282	-	525	565	-	-	-	-	1 372
MF Magugu	-	-	-	476	-	-	-	-	476
<b>Total</b>	<b>505</b>	<b>292</b>	<b>525</b>	<b>1 041</b>	<b>12 786</b>	<b>125</b>	<b>8 393</b>	<b>10 433</b>	<b>34 100</b>

# REPORT OF THE REMUNERATION COMMITTEE

(CONTINUED)

FE Meyer and ML Wilkin were remunerated by Golden Arrow Bus Services Proprietary Limited as executive directors for the years ended 31 March 2024 and 31 March 2023.

Y Shaik, TG Govender and JR Nicolella were remunerated by HCI as executive directors for the years ended 31 March 2024 and 31 March 2023.

L Govender was remunerated by E-Media Holdings Limited (subsidiary of HCI) as non-executive director for the years ended 31 March 2024 and 31 March 2023.

NB Jappie was remunerated by Deneb Investments Limited (subsidiary of HCI) as non-executive director for the years ended 31 March 2024 and 31 March 2023.

RD Watson was remunerated by HCI, Tsogo Sun Limited and E-Media Holdings Limited as non-executive director for the years ended 31 March 2024 and 31 March 2023.

MF Magugu was remunerated by HCI as a non-executive director for the year ended 31 March 2024.

## Directors fees paid by Frontier Transport Holdings Group and its subsidiaries

	Paid by Frontier Transport Holdings		Paid by Golden Arrow Bus Services				Total 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	
<b>Year ended 31 March 2023</b>							
<b>Executive directors</b>							
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
<b>Non-executive directors</b>							
L Govender	208	-	-	-	-	-	208
NB Jappie	181	-	-	-	-	-	181
RD Watson	181	-	-	-	-	-	181
<b>Total</b>	<b>570</b>	<b>6 243</b>	<b>1 573</b>	<b>583</b>	<b>7 659</b>	<b>340</b>	<b>16 968</b>

# REPORT OF THE REMUNERATION COMMITTEE

(CONTINUED)

Directors fees paid by Hosken Consolidated Investments Group and its subsidiaries

Year ended	Paid by	Paid by	Paid by	Paid by Hosken Consolidated Investments								
	E-media Holdings	Deneb Investments	Tsogo Sun	Directors' fees	Directors' fees	Directors' fees	Directors' fees	Salary	Fringe benefits including medical aid	Bonus	Gain from share schemes	Total
31 March 2023	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Executive directors</b>												
Y Shaik	-	-	-	-	4 455	-	2 896	3 019	10 370			
TG Govender	-	-	-	-	2 244	-	1 459	3 193	6 896			
JR Nicolella	-	-	-	-	5 276	102	3 496	3 733	12 607			
L Govender	210	-	-	-	-	-	-	-	210			
NB Jappie	-	277	-	-	-	-	-	-	277			
RD Watson	266	-	516	531	-	-	-	-	1 313			
<b>Total</b>	<b>476</b>	<b>277</b>	<b>516</b>	<b>531</b>	<b>11 975</b>	<b>102</b>	<b>7 851</b>	<b>9 945</b>	<b>31 673</b>			

## GROUP EMPLOYEE OPTION SCHEME

The following share options have been awarded to executive directors:

	2024		2023	
	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
<b>FE Meyer</b>				
Balance at the beginning of the year	4 354 863	4.08	1 072 717	3.06
Options granted	322 662	5.54	3 352 446	4.40
Options vested	(161 202)	4.97	(70 300)	4.99
Balance at the end of the year	<b>4 516 323</b>	<b>4.21</b>	<b>4 354 863</b>	<b>4.08</b>
Unconditional between the following dates:				
Between 16 March 2023 and 16 September 2023	-	-	90 902	3.28
Between 22 March 2023 and 22 September 2023	-	-	70 300	3.70
Between 16 March 2024 and 16 September 2024	<b>90 902</b>	<b>3.28</b>	90 902	3.28
Between 22 March 2024 and 22 September 2024	<b>70 300</b>	<b>3.70</b>	70 300	3.70
Between 31 March 2024 and 30 September 2024	<b>196 370</b>	<b>2.72</b>	196 370	2.72
Between 16 March 2025 and 16 September 2025	<b>90 902</b>	<b>3.28</b>	90 902	3.28
Between 31 March 2025 and 30 September 2025	<b>196 370</b>	<b>2.72</b>	196 370	2.72
Between 06 December 2025 and 5 June 2026	<b>1 117 482</b>	<b>4.40</b>	1 117 482	4.40
Between 31 March 2026 and 30 September 2026	<b>196 371</b>	<b>2.72</b>	196 371	2.72
Between 06 December 2026 and 5 June 2027	<b>1 117 482</b>	<b>4.40</b>	1 117 482	4.40
Between 28 March 2027 and 28 September 2027	<b>107 554</b>	<b>5.54</b>	-	-
Between 06 December 2027 and 5 June 2028	<b>1 117 482</b>	<b>4.40</b>	1 117 482	4.40
Between 28 March 2028 and 28 September 2028	<b>107 554</b>	<b>5.54</b>	-	-
Between 28 March 2029 and 28 September 2029	<b>107 554</b>	<b>5.54</b>	-	-
	<b>4 516 323</b>	<b>4.21</b>	<b>4 354 863</b>	<b>4.08</b>

Subsequent to year end 357 573 options became unconditional and were exercised by Mr FE Meyer, who received 369 150 shares in the Company after settling the related taxes.



# REPORT OF THE REMUNERATION COMMITTEE

(CONTINUED)

## IMPLEMENTATION OF THE REMUNERATION POLICY (continued)

### GROUP EMPLOYEE OPTION SCHEME (continued)

The following share options have been awarded to executive directors: (continued)

	2024		2023	
	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
<b>ML Wilkin</b>				
Balance at the beginning of the year	2 729 003	4.08	672 285	3.06
Options granted	202 278	5.54	2 100 798	4.40
Options vested	(101 041)	5.27	(44 080)	4.99
Balance at the end of the year	2 830 240	4.21	2 729 003	4.08
Unconditional between the following dates:				
Between 16 March 2023 and 16 September 2023	-	-	56 961	3.28
Between 22 March 2023 and 22 September 2023	-	-	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 5 June 2026	700 266	4.40	700 266	4.40
Between 31 March 2026 and 30 September 2026	123 054	2.72	123 054	2.72
Between 28 March 2027 and 28 September 2027	67 426	5.54	-	-
Between 06 December 2026 and 5 June 2027	700 266	4.40	700 266	4.40
Between 06 December 2027 and 5 June 2028	700 266	4.40	700 266	4.40
Between 28 March 2028 and 28 September 2028	67 426	5.54	-	-
Between 28 March 2029 and 28 September 2029	67 426	5.54	-	-
	<b>2 830 240</b>	<b>4.21</b>	<b>2 729 003</b>	<b>4.08</b>

Subsequent to year end 224 095 options became unconditional and were exercised by Mr ML Wilkin, who received 231 351 shares in the Company after settling the related taxes.

No additional share options have been awarded to directors from year end to the date of this report.



**TG Govender**  
Chairperson

Remuneration committee

# REPORT OF THE SOCIAL AND ETHICS COMMITTEE

The Group's social and ethics committee comprises the following members:

- NB Jappie  
(resigned as chairperson 1 September 2023)
- MF Magugu  
(appointed as chairperson 5 October 2023)
- FE Meyer
- Y Shaik
- RD Watson

The social and ethics committee assists the board in monitoring the Group's performance as a good responsible corporate citizen. The committee comprises executive and non-executive directors with the majority being non-executive directors and the chairperson being an independent non-executive director.

The social and ethics committee is responsible for monitoring the Group's activities, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, including the impact of the Group's activities and of its products or services), stakeholder and consumer relationships and labour and employment issues.

In discharging its duties, the social and ethics committee gives regard to:

- the 10 principles set out in the United Nations Global Compact;
- the OECD recommendations regarding corruption;
- the Employment Equity Act;
- the Broad-Based Black Economic Empowerment Act, 53 of 2003;
- good corporate citizenship;
- environment, health and public safety; and
- labour and employment.

The social and ethics committee draws to the attention of the board, matters within its mandate as occasion requires and will report to the shareholders at the Group's annual general meeting on such matters. In order to carry out its functions, the social and ethics committee is entitled to request information from any directors or employees of the Group, attend and be heard at general shareholders' meetings, and receive notices in respect of such meetings.

The committee held two formal meetings during the financial year ended 31 March 2024, which were attended by committee members as follows:

Committee member	Number of meetings attended by member
NB Jappie	1
MF Magugu	1
FE Meyer	2
Y Shaik	2
RD Watson	2

Please refer to the Corporate Responsibility section of this Report on pages 31 to 35 which details the various aspects overseen by the social and ethics committee and encompasses the Report of the social and ethics committee.



**MF Magugu**  
*Chairperson*

Social and ethics committee





# CORPORATE RESPONSIBILITY

## INTRODUCTION

Frontier prioritises its role as a responsible corporate citizen through a number of initiatives related to environmental sustainability, corporate social investment, Broad-Based Black Economic Empowerment and a progressive approach to developing human capital.

## ENVIRONMENT

Frontier's approach to the environment stems from the sincere wish to ensure that the Group's activities are sustainable and that its ecological footprint is as small as possible. This is achieved through innovation and commitment to industry best practices.

Group policy includes:

- The promotion of sustainable development and ensuring that the actions of the Group meet the needs of the present, while minimising the cost to future generations.
- Monitoring of compliance with environmental legislation, regulations and other requirements.
- Observance of the standards propagated by appropriate local or international authorities where no such legislation exists.
- Detailed reporting on environmental and recycling initiatives.
- Encouraging and motivating all Group employees to adhere to environmental protection and pollution prevention policies in order to meet environmental objectives.
- Auditing, monitoring and reviewing subsidiary progress and compliance and communicating this to all interested parties.

## ENVIRONMENTAL SUSTAINABILITY

Environmental management programmes, sustainability and energy-efficiency strategies are implemented within the Group's environmental management policy.

## METHODOLOGY

The carbon footprint was calculated according to the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol, a widely used corporate GHG accounting and reporting standard.

Included in the carbon footprint for Frontier are the following:

- Golden Arrow;
- ElJoSa;
- Alpine;
- Frontier Tyres; and
- Shuttle Up.

This year's conversion factors were sourced from the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines and the South African Department of Environmental Affairs' Methodological guidelines for quantification of greenhouse gas emissions. Some emission factors, such as those for business travel captured under Scope 3 emissions, were sourced from the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA).

The organisational boundary was set according to the operational control approach, whereby Frontier reports on all GHG emissions from facilities and activities over which it has operational control.

## EMISSIONS SUMMARY

### Scope 1 emissions

Total Scope 1 emissions were 77 101 tCO<sub>2</sub>e in FY24 and have shown a 4% improvement from prior year (FY23 80 237 tCO<sub>2</sub>e).

Golden Arrow and ElJoSa are the major contributors to Frontier's Scope 1 emissions. This is as a result of both entities operating predominantly diesel buses.

Golden Arrow's Scope 1 emissions decreased by 4% a result of a decrease in diesel consumed in Golden Arrow Buses, this decrease was driven by a reduction in distance traveled for FY23. Diesel consumption decreased by 4%, from 24 247 603 litres in FY23 to 23 262 271 litres in FY24.

Fuel efficiency has shown a slight improvement from FY23, from 39.55 litres/100 km in FY23 to 38.21 litres/100 km in FY24. Note that fuel efficiency improves when considering passengers (i.e. per km per passenger). The increase in passenger numbers in FY23 contributed to the improvement noted in this metric.

# CORPORATE RESPONSIBILITY (CONTINUED)

ElJoSa's Scope 1 emissions decreased by 0.2%. This improvement was as a result of a 4% decrease in diesel consumed in ElJoSa's buses and various fuel efficiency initiatives. Diesel consumption in buses decreased from 811 585 litres in FY23 to 809 587 litres in FY24 as less distance was travelled. 2 744 833 km were travelled in FY23 and this was reduced to 2 629 859 km in FY24. ElJoSa's fuel efficiency was slightly up from FY23, from 29.57 litres/100 km to 30.78 litres/100 km.

## Scope 2 emissions

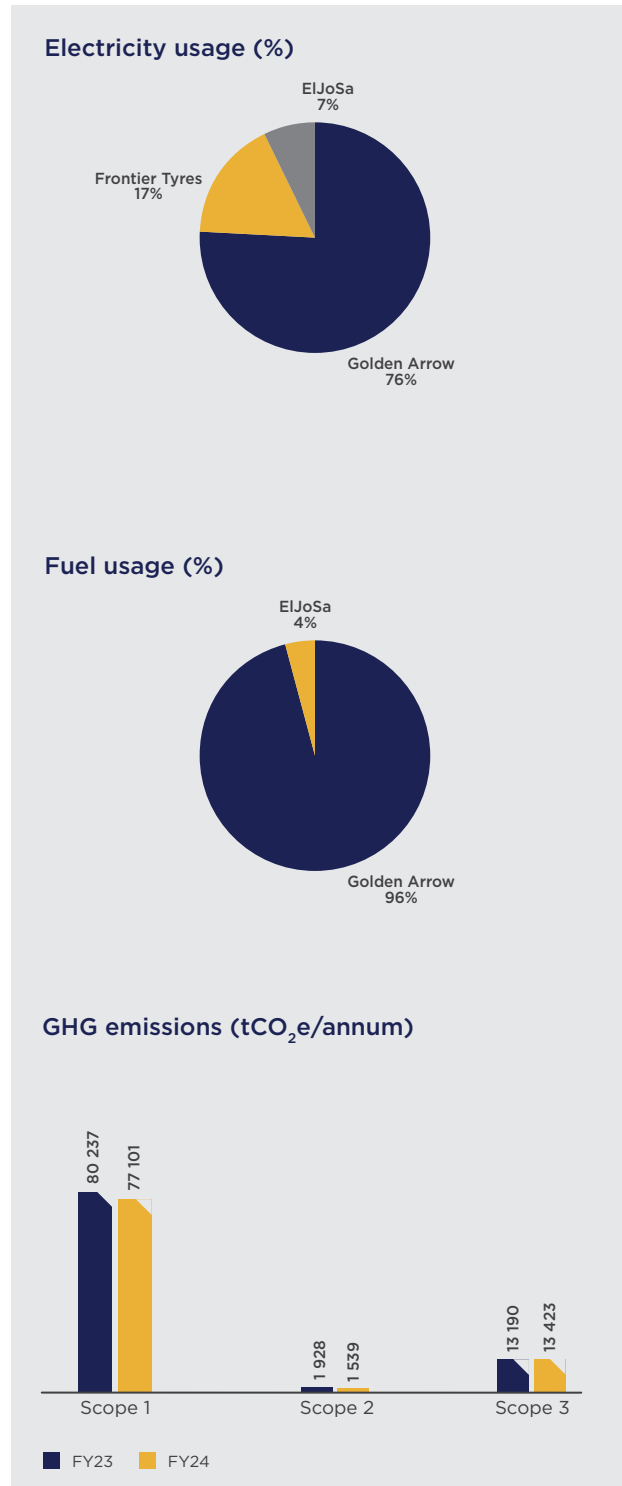
Scope 2 emissions were 1 539 tCO<sub>2</sub>e in the FY24 reporting year. This represents an overall 20% decrease when compared to FY23.

Golden Arrow is the major contributor to Frontier's Scope 2 emissions (77%). Frontier Tyres is the next largest contributor (21%) and ElJoSa contributes the remaining 1%.

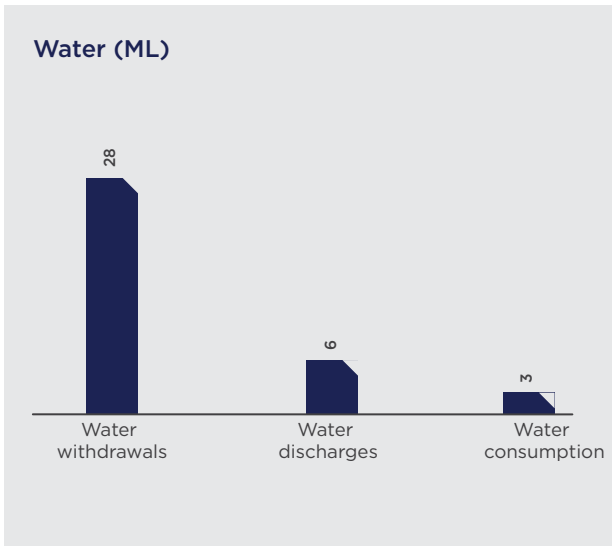
It is important to note that Golden Arrow has extensive solar installations across various depots and has been able to export electricity to the national grid. The Scope 2 emissions are calculated on electricity purchased and not on electricity consumed.

As a result of the solar installations and energy saving initiatives, Golden Arrow was able to achieve a 19% decrease in Scope 2 emissions for FY24.

For ElJoSa, Scope 2 emissions totalled 19 tCO<sub>2</sub>e in the current reporting year. This translates to a 86% decrease relative to the scope 2 emissions in FY23.



# CORPORATE RESPONSIBILITY (CONTINUED)



## Scope 3 emissions

Scope 3 emissions were 13 423 tCO<sub>2</sub>e in FY24.

The major contributor to Scope 3 emissions was Golden Arrow (99.8%) and Alpine contributed the balance (0.2%). Diesel consumed in MyCiTi and Associate buses is the largest contributor to Scope 3 emissions.

The Scope 3 emissions totaled 13 423 tCO<sub>2</sub>e for Golden Arrow in the current reporting year. This represents a 2% increase relative to emissions noted in FY23.

The increase in scope 3 emissions results from a combination of a 1% increase in diesel consumption rates and 2% increase in distance traveled.

## WATER USAGE

Included in the water footprint for Frontier are the following:

- Golden Arrow; and
- Frontier Tyres.

Frontier’s total water withdrawals in FY24 were 30ML. This represents an 8% increase relative to FY23 where withdrawals were measured at 28ML.

Golden Arrow is the major contributor to the Group’s water withdrawals (98%) and Frontier Tyres contributes the remaining 2%.

## CORPORATE SOCIAL INVESTMENT PROJECTS AND PROGRAMMES

### Community Transport Programme

The Community Transport Programme is an extension of the Golden Arrow Foundation Grassroots Programme. The 17-year-old programme is a partnership between the HCI Foundation, Golden Arrow Bus Services and selected community-based programmes.

During the current financial year, Golden Arrow and the HCI Foundation made 787 buses available to 97 organisations to transport children, senior citizens, youth and learners to various locations including theatres, museums, educational centres, outdoor activities, sporting events and festivals. 64 981 people benefited from the Programme, many of them being school learners and children from Early Childhood Development Centres.

R1 947 960 had been spent as part of this programme.



Beneficiaries include, amongst others, Baxter Theatre, Grassroots, Zip Zap Circus School, Dream Factory Foundation, Vusa Rugby and Learning Academy, Artscape, Getwell, Iziko Museums, Ibhathathane Project, College of Magic, Cape Whalers Field Band, Magnet Theatre, Sisanda Foundation, Pauline Podbrey Foundation, Ronnie Samaai Music Education, Youthstart Foundation, Amy Foundation, Ithemba Labantu and the Cape Town Science Centre.

# **CORPORATE RESPONSIBILITY** (CONTINUED)

## **Grassroots Adventure Bus Programme**

The Adventure Bus Programme is a very special part of early childhood development for participants as many have never before travelled on a bus. Through the programme children are able to experience the world outside their own backyards, it is here that they learn to interact with children from different socio-economic backgrounds and to experience learning through play.

Golden Arrow through the HCI Foundation contributes towards the actual transport costs for educational outings for pre-schools. As a further contribution, a core group of Golden Arrow drivers from Arrowgate, Southgate and Philippi Depots volunteer their services three days a week while they are off shift. The drivers donate their time and skills free of charge in order to give thousands of historically disadvantaged children the opportunity to benefit from educational outings.

## **HCI Foundation visit**

In March 2024, Golden Arrow hosted HCI Foundation bursary students as well as learners from Leveraging Educational Assistance Partnership (LEAP) schools in order to expose them to possible future job opportunities, and to give them first-hand insight into what it takes to run an efficient and reliable bus company.

The students and learners travelled on an electric bus to Golden Arrow's Training and Recruitment Centre, where Kwangaba Safari, an HCI Foundation partial bursary alumnus who is employed at Golden Arrow as a quality controller, was on hand to discuss the Company's electric bus programme.

Upon arrival at the Training and Recruitment Centre, Golden Arrow CEO Francois Meyer gave the guests high level insights into the operational environment in which Golden Arrow finds itself, the complex nature of providing bus services and the varied employment opportunities that exist within the Company.

The visit was concluded with a tour of the Arrowgate Depot in Montana, which houses more than 500 buses, the accompanying drivers, engineering departments and administrative employees.

The visit gave the learners and students key insights into the bus industry and exposed them to possible careers within it. The students had the opportunity to see and experience the future of urban mobility in the Western Cape, often fuelled by disruptive technologies, and imagine how they could be part of it.

## **BROAD-BASED BLACK ECONOMIC EMPOWERMENT**

Frontier achieved a Level 2 B-BBEE rating.

Frontier remains committed to empowerment at all levels of its operations through various initiatives, particularly skills development through its Training and Recruitment Centre, and a strong focus on preferential procurement.

A copy of the full B-BBEE certificate can be viewed on the Company's website [www.frontiertransport.co.za](http://www.frontiertransport.co.za).

## **OUR PEOPLE**

Frontier recognises the need to retain and develop its most valuable asset - its employees. Human capital is a key focus and training and development for the Group is predominantly situated at Golden Arrow's purpose-built Training and Recruitment Centre.

The Group's human capital strategy is driven by two central tenets:

- Continuous development of existing employees starting at learnership and apprenticeship levels and extending as far as senior management levels.
- Creation of training and employment opportunities through innovative partnerships.

## **TRAINING AND DEVELOPMENT SNAPSHOT**

The training and development programmes for the reporting year were varied and impactful.

### **Business Cross Skills Training Programme**

60 General workers are enrolled in the Business Cross Skills Training Programme. Three of the 15 necessary modules have thus far been completed. Modules include operating as part of a team, coaching to enhance individual performance, mentoring, time management, application of business principles, customer relations, research and data interpretation and operating a rigid light vehicle.



# CORPORATE RESPONSIBILITY (CONTINUED)

## Department of Economic Development and Tourism Apprentices

These apprentices are contracted by Golden Arrow and funded by the Department of Economic Development and Tourism (“DEDAT”). Golden Arrow has partnered with DEDAT to create a specialised learner and apprenticeship programme for unemployed youth. DEDAT provides monthly stipends for the beneficiaries while Golden Arrow provides a dynamic, experiential opportunity for future vehicle body builders, fitter and turners, spray painters, auto-electricians, diesel mechanics and bus drivers. Golden Arrow also provides bus passes so that candidates’ travel costs are covered.

Trade	Apprentices per Trade
Vehicle Body Builder	16
Diesel Mechanic	22
Auto Electrician	26
Spray Painter	6
Fitter and Turner	2
<b>Total Apprentices</b>	<b>72</b>

- Recruited from February 2022 – March 2023.

## Two Star Apprentices

Trade	Apprentices per Trade
Diesel Mechanic	7
Auto Electrician	8
<b>Total Apprentices</b>	<b>15</b>

- These apprentices have passed 1 trade already and are currently enrolled in another trade. Either from Auto Electrician to Diesel Mechanic or Diesel Mechanic to Auto Electrician.
- 7 of the 15 have received trade test approvals.

## GABS Apprentices

Trade	Apprentices per Trade
Vehicle Body Builder	1
Diesel Mechanic	7
<b>Total Apprentices</b>	<b>8</b>

- 5 of the 8 have received trade test approvals.

## College Learners

Golden Arrow also hosts college learners who need to complete their workplace experience. There are currently 18 college students placed across the Company for workplace experience learning.

Trade	College Learner per Trade/Qualification
Welder	3
Diesel Level 2	11
Spray Painters	4
<b>Total Learners</b>	<b>18</b>

## OCCUPATIONAL HEALTH AND SAFETY

The Group complies with the Occupational Health and Safety Act (OHS Act), as well as the National Environmental Management Act (NEMA).

## INCIDENCE OF DISCRIMINATION

The Group’s ethos is rooted in fairness and this is championed through its code of ethics. There is a zero-tolerance approach to any form of discrimination and this is made concrete through formalised grievance and disciplinary procedures. A confidential whistleblowing hotline is available for all stakeholders.

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Employees throughout the Group are guaranteed freedom of association and are free to join the unions of their choosing. The Group actively seeks to foster positive and transparent relationships with unions throughout its subsidiaries.

# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

## 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 summarised consolidated annual financial statements, set out on pages 42 to 51, and the consolidated annual financial statements for the year ended 31 March 2024, available on Frontier’s website, have been prepared, in accordance with IFRS Accounting Standards 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 summarised information included in this report has been extracted from the audited consolidated annual financial statements.

The consolidated annual financial statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The consolidated 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 consolidated 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 consolidated 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 in the foreseeable future.

The consolidated annual 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 41.

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

- (a) the consolidated annual financial statements set out on pages 42 to 51, fairly present in all material respects the financial position, financial performance and cash flows of the Company in terms of IFRS Accounting Standards;
- (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;
- (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 consolidated annual financial statements for the year ended 31 March 2024 were approved by the board of directors on 31 July 2024 and are signed on its behalf by:



**FE Meyer**  
Chief executive officer



**ML Wilkin**  
Chief financial officer

Cape Town  
31 July 2024

# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## 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 2024, 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  
31 July 2024



# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## DIRECTORS' REPORT

### 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.

### RESULTS

Refer to the Chairperson and CEO's Report on pages 10 to 11 for an overview of the performance of the Group for the period under review.

### ORDINARY CASH DIVIDENDS

The Company declared and paid an interim ordinary dividend for the year ended 31 March 2024 of 24.2 cents (2023: 22 cents) (gross) per share in December 2023.

### 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	<b>Chairperson</b>	<b>Non-executive</b>
Mr FE Meyer	<b>Chief executive officer</b>	<b>Executive</b>
Mr ML Wilkin	<b>Chief financial officer</b>	<b>Executive</b>
Mr TG Govender		<b>Non-executive</b>
Mr JR Nicolella		<b>Non-executive</b>
Mr L Govender	<b>Lead independent</b>	<b>Independent non-executive</b>
Ms RD Watson		<b>Independent non-executive</b>
Mr MF Magugu		<b>Independent non-executive (appointed 5 October 2023)</b>
Ms SNN Mkhwanazi		<b>Independent non-executive (appointed 1 May 2024)</b>

Mrs NB Jappie resigned from the board as an independent non-executive director and Mr MF Magugu was appointed to succeed Mrs NB Jappie as an independent non-executive director effective from 5 October 2023. Ms SNN Mkhwanazi was appointed as an independent non-executive director effective from 1 May 2024. There were no other changes in directorate during the period under review.

In accordance with the Company's MOI and Schedule 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 Mr JR Nicolella and Mr TG Govender, being the retiring directors, and being eligible, offer themselves for re-election.

In January 2024 a special dividend of 137.38 cents (gross) per share (2023: nil) was paid. The board declared a final ordinary dividend for the year ended 31 March 2024 of 24.2 cents (2023: 35 cents) (gross) per share on 23 May 2024 which was paid subsequent to year end on 18 June 2024.

### SHARE CAPITAL

There was no change in the authorised share capital of the Company during the period under review. In terms of the Frontier Group Employee Option Scheme, 584 457 shares were issued during the current financial year (2023: 595 797). At 31 March 2024, the total shares in issue was 291 180 254.

### MAJORITY SHAREHOLDER

The Company's ultimate holding company is Hosken Consolidated Investments Limited holding 81.88% of the issued share capital of the Company at 31 March 2024 (2023: 82.05%).



# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## DIRECTORS' EMOLUMENTS

Details of directors' emoluments and share options awarded to executive directors are included in the Remuneration Policy and Implementation of the Remuneration Policy on pages 23 to 28.

## SHAREHOLDINGS OF DIRECTORS

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

Director	Direct number of shares held	Direct % of shares held	Indirect number of shares held	Indirect % of shares held	Total number of shares held	Total % of shares held
FE Meyer	297 048	0.10%	256	0.00%	297 304	0.10%
ML Wilkin	99 743	0.03%	-	-	99 743	0.03%
JR Nicolella	5 185	0.00%	9 727	0.00%	14 912	0.01%
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 directors acquired additional interests in the shares of the Company, after exercising their unconditional share options:

Director	Additional direct number of shares acquired	Additional % of shares in issue acquired
FE Meyer	369 150	0.13%
ML Wilkin	231 351	0.08%

There were no further changes in the directors' interest from 31 March 2024 to the date of the approval of this report.

## COMPANY SECRETARY

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

## INVESTMENTS

Investments of the Group as at 31 March 2024 are as follows:

Company	Nature of business	Holding
HPL and R Investments Proprietary Limited	Investment holding	100%
Golden Arrow Bus Services Proprietary Limited	Passenger transport services	100%
Table Bay Area Rapid Transit Proprietary Limited	Passenger transport services	100%
Sibanye Bus Services Proprietary Limited	Passenger transport services	100%
Frontier Tyres Proprietary Limited	Tyre sales and retreads	100%
Shuttle Up Proprietary Limited	Passenger transport services	100%
Hollyberry Props 12 Proprietary Limited	Investment property holding	100%
ElJoSa Travel & Tours Proprietary Limited	Passenger transport services	92.7%
Alpine Truck and Bus Proprietary Limited	Bus, truck and spare part sales	51%
N2 Express Joint Venture Proprietary Limited	Passenger transport services	33.3%

# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## 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 the designated auditor for the year ended 31 March 2024.

## 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 2024.

## SPECIAL RESOLUTIONS

The following special resolutions were passed by the Company's shareholders at the annual general meeting held on 1 September 2023:

- 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 2023 until the next annual general meeting of the Company;
- 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 10 June 2024, the Company issued 1 266 527 ordinary no par value shares to participants who exercised their options under the Group employee option scheme.

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).

# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Frontier Transport Holdings Limited

### OPINION

The summarised consolidated financial statements on pages 42 to 51 of Frontier Transport Holdings Limited, which comprise the summarised consolidated statement of financial position as at 31 March 2024, the summarised consolidated statement of profit or loss, the summarised consolidated statement of other comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Frontier Transport Holdings Limited for the year ended 31 March 2024.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summarised financial statements, as set out in the note "Basis of preparation and accounting policies" to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

### SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards and the requirements of the Companies Act of South Africa as applicable to consolidated annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

### THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 31 July 2024. That report also includes communication of 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.

### DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with JSE's requirements for summarised financial statements, set out in the note "Basis of preparation and accounting policies" to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

*BDO South Africa Inc.*

**BDO South Africa Incorporated**  
Registered Auditors

**Fayaz Mohamed**  
Director  
Registered Auditor

31 July 2024

# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 R'000	2023 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>1 719 868</b>	1 613 690
Property, plant and equipment	1	1 682 550	1 577 512
Right-of-use asset	2	8 819	4 828
Goodwill		23 940	23 940
Intangible assets		59	59
Investment in associate		3 515	5 982
Deferred taxation		985	1 369
<b>Current assets</b>		<b>606 420</b>	796 606
Inventories		43 068	32 484
Trade and other receivables		96 770	80 692
Current tax receivable		4 381	4 809
Cash and cash equivalents		462 201	678 621
<b>Total assets</b>		<b>2 326 288</b>	2 410 296
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>1 381 556</b>	1 542 770
Equity attributable to equity holders of the parent		1 381 031	1 546 627
Non-controlling interest		525	(3 857)
<b>Non-current liabilities</b>		<b>504 350</b>	444 301
Instalment sale obligations		181 950	80 460
Borrowings		512	1 636
Lease liability	2	6 301	2 399
Post-employment medical benefit liability		62 195	62 265
Deferred taxation		253 392	297 541
<b>Current liabilities</b>		<b>440 382</b>	423 225
Instalment sale obligations		72 376	96 504
Borrowings		1 128	1 008
Trade and other payables		231 935	218 476
Post-employment medical benefit liability		5 717	5 172
Current tax payable		3 237	9 491
Provisions		125 989	92 574
<b>Total equity and liabilities</b>		<b>2 326 288</b>	2 410 296



# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000
Revenue	3	2 605 820	2 393 841
Other income		47 052	18 973
Operating expenses		(2 077 391)	(1 954 566)
<b>EBITDA</b>		<b>575 481</b>	<b>458 248</b>
Depreciation and amortisation		(105 394)	(99 787)
Investment income		56 981	35 583
Profit from equity accounted investment		2 533	7 239
Finance costs		(23 897)	(16 469)
<b>Profit before taxation</b>		<b>505 704</b>	<b>384 814</b>
Taxation		(111 252)	(107 355)
<b>Profit for the year</b>		<b>394 452</b>	<b>277 459</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		389 940	277 489
Non-controlling interest		4 512	(30)
		<b>394 452</b>	<b>277 459</b>
<b>Earning per share (cents)</b>			
Basic		134.01	95.55
Diluted		131.10	94.89

# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 R'000	2023 R'000
Profit for the year	394 452	277 459
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains on defined benefit plans	3 783	7 990
Taxation relating to actuarial gains on defined benefit plans	(1 022)	(2 157)
<b>Total comprehensive income for the year</b>	<b>397 213</b>	283 292
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent	392 701	283 322
Non-controlling interest	4 512	(30)
	<b>397 213</b>	283 292

# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## RECONCILIATION OF HEADLINE EARNINGS

For the year ended 31 March 2024

Reconciliation of headline earnings	2024		2023	
	R'000 Gross	R'000 Net	R'000 Gross	R'000 Net
Earnings attributable to equity holders of the parent		389 940		277 489
Profit on disposal of plant and equipment	(7 025)	(5 128)	(1 244)	(908)
Impairment of plant and equipment	8 711	6 359	7 946	5 801
Insurance claim for capital assets	(8 099)	(5 912)	(4 645)	(3 391)
<b>Headline earnings</b>		<b>385 259</b>		<b>278 991</b>
Earnings per share (cents)				
Basic		134.01		95.55
Diluted		131.10		94.89
Headline earnings per share (cents)				
Basic		132.40		96.07
Diluted		129.52		95.40
Weighted average number of shares in issue ('000)				
Basic		290 987		290 414
Diluted		297 440		292 432
Actual number of shares in issue ('000)		291 180		290 596

In terms of the Frontier Group Employee Option Scheme, 584 457 shares were issued during the current financial year (2023: 595 797).

# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	2024 R'000	2023 R'000
Balance at the beginning of the year	1 542 770	1 413 853
Total comprehensive income	397 213	283 292
Equity settled share-based payments	13 771	2 356
Dividends	(572 198)	(156 731)
<b>Balance at the end of the year</b>	<b>1 381 556</b>	<b>1 542 770</b>



# SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

## SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000
<b>Cash flows from operating activities</b>		<b>(94 221)</b>	229 201
Cash generated from operations		600 768	468 335
Investment income		56 981	32 583
Finance cost		(23 897)	(16 469)
Taxation paid		(156 227)	(98 517)
Dividends paid		(571 846)	(156 731)
<b>Cash flows from investing activities</b>		<b>(25 606)</b>	(9 496)
Dividends received		5 000	3 000
Loan to associate received		-	5 882
Acquisition of property, plant and equipment	4	(58 302)	(32 066)
Proceeds from insurance claims		8 099	253
Proceeds from sale of plant and equipment		19 597	13 435
<b>Cash flows from financing activities</b>		<b>(96 593)</b>	(119 324)
Funding repaid	4	(93 812)	(116 949)
Principal paid on lease liabilities		(2 781)	(2 375)
(Decrease)/increase in cash and cash equivalents		(216 420)	100 381
<b>Cash and cash equivalents</b>			
At the beginning of the year		678 621	578 240
<b>At the end of the year</b>		<b>462 201</b>	678 621

# NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2024

## BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised consolidated annual financial statements are prepared in accordance with the requirements of the JSE Listings Requirements and the Companies Act. The Listings Requirements require summarised financial statements to be prepared in accordance with the framework concepts, the measurement and recognition requirements of IFRS Accounting Standards, the SA financial reporting requirements (as issued by the Financial Reporting Standards Council) and to also, as a minimum, contain the information required by IAS 34 - Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated annual financial statements from which the summarised consolidated annual financial statements were derived, are compliant in terms of IFRS Accounting Standards and are consistent with those applied in the previous annual financial statements. Details of the standards adopted are provided in the Group's consolidated annual financial statements. As required by the Listings Requirements of the JSE Limited, the Group reports headline earnings in accordance with Circular 01/2023 - Headline Earnings, as issued by the South African Institute of Chartered Accountants.

## OPERATING SEGMENT

The directors have considered the implications of IFRS 8 - Operating segments and are of the opinion that the operations of the Group materially 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. PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment is summarised as follows:

	Carrying value at 31 March 2023 R'000	Additions R'000	Depreciation R'000	Disposals R'000	Impairments R'000	Carrying value at 31 March 2024 R'000
Buses	1 155 391	177 935	(89 631)	(11 407)	(8 348)	1 223 940
Computers and computerised fare collection and radio equipment	42 907	13 947	(6 122)	(49)	(363)	50 320
Land and buildings and leasehold improvements	356 095	20 640	(24)	-	-	376 711
Motor vehicles	13 654	9 099	(4 978)	(182)	-	17 593
Plant and machinery	8 877	6 406	(1 054)	(935)	-	13 294
Furniture and fixtures	588	446	(341)	(1)	-	692
<b>Total</b>	<b>1 577 512</b>	<b>228 473</b>	<b>(102 150)</b>	<b>(12 574)</b>	<b>(8 711)</b>	<b>1 682 550</b>

The Group acquired 61 commuter buses totaling R171.9 million and 3 charter coaches to the value of R6 million (2023: 30 commuter buses totaling R73.9 million, 1 electric bus totaling R4.5 million and 4 charter coaches for the value of R4.1 million). 13 Golden Arrow Buses (2023: 11 Golden Arrow buses) with a net book value of R8.35 million (2023: R7.6 million) were impaired during the year. R5.5 million is receivable from insurance proceeds (2023: R4.6 million).

# NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

## 2. LEASES

Movements in the carrying value of right-of-use assets and lease liabilities are as follows:

	2024 R'000	2023 R'000
<b>Reconciliation of right-of-use assets</b>		
Carrying value at the beginning of the year	4 828	5 671
Additions	1 342	4 296
Remeasurement of lease	5 740	-
Modification of lease	152	-
Depreciation	(3 243)	(5 139)
<b>Carrying value as at 31 March</b>	<b>8 819</b>	<b>4 828</b>
<b>Reconciliation of lease liabilities</b>		
Carrying value at the beginning of the year	5 113	3 193
Finance costs	870	410
Lease payments	(3 651)	(2 786)
Additions	1 342	4 296
Remeasurement of lease	5 695	-
<b>Carrying value as at 31 March</b>	<b>9 369</b>	<b>5 113</b>
<b>Of which:</b>		
Current (included in Trade and other payables)	3 068	2 714
Non-current	6 301	2 399
	<b>9 369</b>	<b>5 113</b>

# NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

## 3. REVENUE

Group revenue for the year is made up as follows:

	2024 R'000	2023 R'000
<b>Revenue from bus services</b>		
<i>Revenue recognised over time</i>		
Operational contract carrying revenue risk	1 177 519	1 127 813
Operational contract with no revenue risk	168 282	160 378
Sale of multi-journey tickets	609 050	578 305
<b>Revenue recognised at a point in time</b>		
Sale of single journey tickets	360 419	353 827
Charter hire services	115 587	101 128
<b>Total revenue from bus services</b>	<b>2 430 857</b>	<b>2 321 451</b>
<b>Revenue from goods sold</b>		
<i>Revenue recognised at a point in time</i>		
Sale of vehicles	108 029	7 627
Sale of spares, tyres and retreads	43 915	35 107
	<b>151 944</b>	<b>42 734</b>
<b>Revenue from automotive repair services</b>		
<i>Revenue recognised at a point in time</i>		
Bus and vehicle repair and maintenance	14 406	7 365
Tyre repairs and related services	4 964	4 531
	<b>19 370</b>	<b>11 896</b>
<b>Other revenue</b>		
<i>Revenue recognised over time</i>	-	1 868
<i>Revenue recognised at a point in time</i>	3 649	15 892
	<b>3 649</b>	<b>17 760</b>
<b>Total revenue</b>	<b>2 605 820</b>	<b>2 393 841</b>

# NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2024

## 4. BORROWINGS ARISING FROM FINANCING ACTIVITIES

Movements in the carrying value of borrowings are as follows:

	2024 R'000	2023 R'000
Carrying value at the beginning of the year	179 608	224 623
<b>Cash-flows:</b>		
Debt repayments	(93 812)	(116 949)
Interest paid	(22 378)	(15 972)
<b>Non-cash:</b>		
Raising of instalment sale obligations	170 170	71 934
Interest capitalised	22 378	15 972
	<b>255 966</b>	<b>179 608</b>

R170.1 million (2023: R71.9 million) of debt raised in the period relates to instalment sale agreements used to finance bus acquisitions, and therefore has not been included in the cash flow statement as a cash flow amount.

## 5. COMMITMENTS

Movements in the carrying value of borrowings are as follows:

	2024 R'000	2023 R'000
<b>Capital expenditure</b>		
Property, plant and equipment authorised but not yet contracted	-	310 500
Property, plant and equipment authorised and contracted to be expended	659 255	113 238

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

The board approved the acquisition of 120 electric commuter buses and 40 diesel commuter buses which have been included in the commitments noted above.

## 6. RELATED PARTY TRANSACTIONS

Related party transactions similar to those disclosed in the Group's 2023 annual financial statements took place for the year ended 31 March 2024 and will be disclosed in the Group's annual financial statements for the year ended 31 March 2024.

## 7. GOING CONCERN

The directors believe that the Group has adequate financial resources to continue operations for the foreseeable future and accordingly the summarised 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.

## 8. EVENTS AFTER THE REPORTING PERIOD

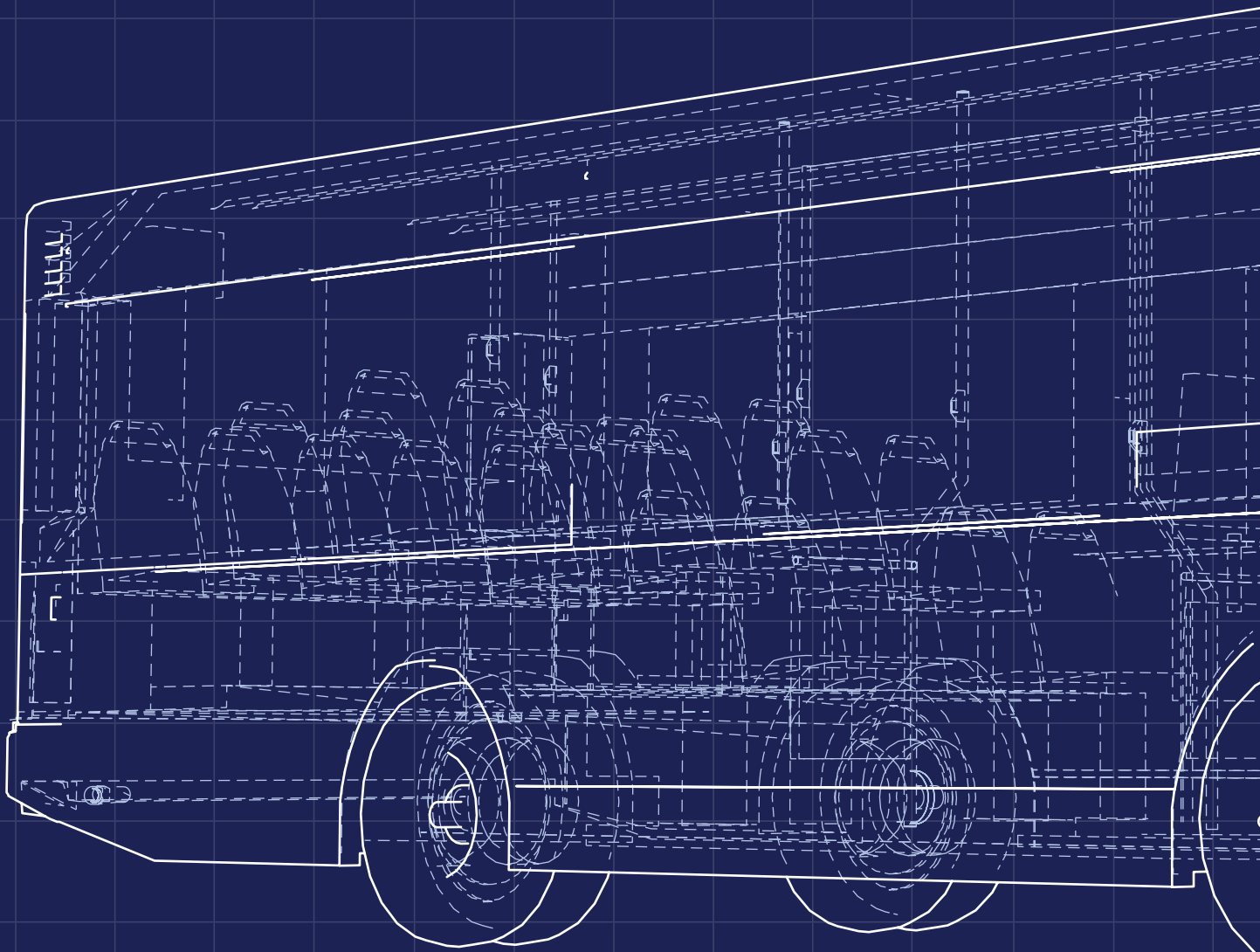
On 10 June 2024 the Company issued 1 266 527 ordinary no par value shares (2023: 271 336) to participants who exercised their options under the Group employee option scheme.

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that would require any adjustments to the consolidated annual financial statements.









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