FRONTIER
Transport Holdings

ANNUAL FINANCIAL STATEMENTS

2024

FRONTIER TRANSPORT HOLDINGS LIMITED

Consolidated Annual Financial Statements for the year ended 31 March 2024

INDEX

SHAREHOLDERS' DIARY

Financial year-end	31 March 2024
Annual general meeting	29 August 2024
Reports	
• 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

SHAREHOLDER SNAPSHOT

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%
Total	4 787	100.00%	291 180 254	100.00%

TYPE OF SHAREHOLDER

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Bank	3	0.06%	3 827 267	1.31%
Broker	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%
Fund	8	0.17%	6 622 554	2.27%
Individual	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%
Total	4 787	100.00%	291 180 254	100.00%

SHAREHOLDING GREATER THAN 5%

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

SHAREHOLDER	Number of shares	% of issued capital
Hosken Consolidated Investments Limited ("HCI")	238 436 809	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
Public shareholding	4 777	99.80%	51 422 002	17.66%
Non-Public shareholding	10	0.20%	239 758 252	82.34%
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%
Total	4 787	100.00%	291 180 254	100.00%

*directors

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

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

The annual financial statements for the year ended 31 March 2024 have been prepared, in accordance with IFRS® Accounting Standards (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 annual financial statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The annual financial statements were prepared under the supervision of the chief financial officer, Mr ML Wilkin CA(SA).

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

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

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

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

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

(a) the annual financial statements set out on pages 16 to 60, 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; and

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

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

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

The annual financial statements for the year ended 31 March 2024 were approved by the board of directors on 31 July 2024 and are signed on its behalf by:

FE Meyer	**ML Wilkin**
Chief executive officer	Chief financial officer

Cape Town
31 July 2024

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

REPORT OF AUDIT & RISK COMMITTEE

This report is provided by the audit and risk committee ("the committee") appointed in respect of Frontier Transport Holdings Limited and its subsidiaries ("the Group") for year ended 31 March 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 20 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	No. of meetings attended by member
L Govender	4
NB Jappie	2
MF Magugu	2
RD Watson	4

FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

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

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

- satisfied itself that the external auditor is independent of the Group, as set out in section 94(8) of the Companies Act, and suitable for reappointment considering, inter alia, the information stated in paragraph 3.84(g)(iii) of the JSE Listings 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;
- reviewed the accounting policies and consolidated financial statements for the year ended 31 March 2024 and based on the information provided to the committee, considers the Group complies, in all material aspects, with the requirements of IFRS Accounting Standards, the Financial Reporting Pronouncements (as issued by the Financial Reporting Standards Council), in the manner required by the Companies Act, and the JSE Listings Requirements;
- satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the chief financial officer, as well as the finance function, has the appropriate expertise and experience; and
- reviewed and ensured that the interim condensed consolidated financial statements of the Group, in respect of the first six-month period of the financial year, complied with all statutory and regulatory requirements.

REPORT OF AUDIT & RISK COMMITTEE

INTERNAL AUDIT

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

The Group has appointed GRIPP Advisory Proprietary Limited to perform the internal audit function. The committee oversees co-operation between internal and external auditors, and serves as a link between the board 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 the internal auditors.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

MATERIAL RISKS

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

PREPARATION AND RECOMMENDATION OF THE FINANCIAL STATEMENTS

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

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

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

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

REPORT OF AUDIT & RISK COMMITTEE

The committee has reviewed the consolidated financial statements of the Group and is satisfied that they comply with IFRS Accounting Standards and the Companies Act, and that the accounting policies used are appropriate.

The committee reviewed and considered representations by management on the going concern statement for the Group and recommended the adoption of the going concern statement to the Board.

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

L Govender
Chairperson
Audit and Risk Committee
31 July 2024

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the activities of the business together with the consolidated annual financial statements of the Group for the year ended 31 March 2024.

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

NATURE OF BUSINESS AND OPERATIONS

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

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

FINANCIAL RESULTS

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

CASH DIVIDENDS

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

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%).

DIRECTORATE

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

Directors	Office	Designation
Mr Y Shaik	Chairperson	Non-executive
Mr FE Meyer	Chief executive officer	Executive
Mr ML Wilkin	Chief financial officer	Executive
Mr TG Govender		Non-executive
Mr JR Nicolella		Non-executive
Mr L Govender	Lead independent	Independent non-executive
Ms RD Watson		Independent non-executive
Dr NB Jappie (resigned as at 1 September 2023)		Independent non-executive
Mr MF Magugu (appointed on 5 October 2023)		Independent non-executive
Ms SNN Mkhwanazi (appointed 1 May 2024)		Independent non-executive

Dr NB Jappie resigned from the board as an independent non-executive director and Mr MF Magugu was appointed to succeed Dr NB Jappie as an independent non-executive director effective from 05 October 2023. Ms SNN Mkhwanazi was appointed as an independent non-executive director effective from 01 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 Listings 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.

DIRECTORS' REPORT

DIRECTORS' INTERESTS AND EMOLUMENTS

Details of directors' shareholdings and emoluments appear in note 32, and details of share options awarded to executive directors' appear in note 27.

COMPANY SECRETARY

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

INVESTMENTS

Company	Nature of business	Holding
HPL and R Investments Proprietary Limited	Investment holding	100%
Golden Arrow Bus Services Proprietary Limited	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%
Eljosa Travel & Tours Proprietary Limited	Passenger transport services	92.7%
Alpine Truck and Bus Proprietary Limited	Bus, truck and spare part sales	51%
Hollyberry Props 12 Proprietary Limited	Property holding	100%
N2 Express Joint Venture Proprietary Limited	Passenger transport services	33.3%

GOING CONCERN

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

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

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

AUDITORS

BDO South Africa Incorporated was appointed in office in accordance with section 90 of the Companies Act 71 of 2008 with Mrs Fayaz Mohamed as designated auditor for the year ended 31 March 2024.

OPERATING SEGMENT

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

NO MATERIAL CHANGE

There has been no material change in the financial or trading position of the Group since the publication of its condensed results for the year ended 31 March 2024.

DIRECTORS' REPORT

SPECIAL RESOLUTIONS

The following special resolutions were passed by the Company's shareholders at the annual general meeting held on 01 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 Listings 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; and

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

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

SPECIAL RESOLUTIONS OF SUBSIDIARIES

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

SUBSEQUENT EVENTS

On 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 (see also note 27).

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).

BDO

Tel: +27 21 417 8800
Fax: +27 21 417 8700
www.bdo.co.za

6th Floor,
119 – 123 Hertzog Boulevard
Foreshore
Cape Town, 8001
PO Box 2275
Cape Town, 8000

Independent Auditor's Report

To the Shareholders of

Frontier Transport Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Frontier Transport Holdings Limited and its subsidiaries ("the group") set out on pages 16 to 60, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Frontier Transport Holdings Limited and its subsidiaries as at 31 March 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

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

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

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

c) Depreciation method - management applies judgement in determining the systematic allocation of the depreciable amount over the useful life of the buses.

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

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

Repurchase of service provision – (Valuation and disclosure) – Note 20

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

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

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

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

Our audit procedures included, amongst others, the following:

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

Other Information
The directors are responsible for the other information. The other information comprises the information included in the document titled "Frontier Transport Holdings Annual Financial Statements 2024", the document titled "Frontier Transport Holdings Limited Integrated Annual Report for the year ended 31 March 2024", and the document titled "Frontier Transport Holdings Limited, (Registration Number 2015/250356/06), Separate Company Financial Statements for the year ended 31 March 2024", which includes the Directors' Report, the Report of the Audit and Risk Committee and Declaration of the Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Fayaz Mohamed
Director
Registered Auditor

31 July 2024

119 - 123 Hertzog Boulevard
Foreshore
Cape Town, 8001

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 R'000	2023 R'000
ASSETS			
Non-current assets		**1 719 868**	1 613 690
Property, plant and equipment	3	**1 682 550**	1 577 512
Right-of-use assets	4	**8 819**	4 828
Goodwill	5	**23 940**	23 940
Intangible assets	6	**59**	59
Investment in associate	7	**3 515**	5 982
Deferred tax	8	**985**	1 369
Current assets		**606 420**	796 606
Inventories	9	**43 068**	32 484
Trade and other receivables	10	**96 770**	80 692
Current tax receivable		**4 381**	4 809
Cash and cash equivalents	11	**462 201**	678 621
Total assets		**2 326 288**	2 410 296
EQUITY AND LIABILITIES			
Equity		**1 381 556**	1 542 770
Share capital	12	**1 803 067**	1 800 083
Share-based payments reserve	27	**13 242**	6 432
Common control reserve		**(1 800 000)**	(1 800 000)
Reinvestment reserve	13	**98 295**	98 295
Maintenance reserve	14	**16 932**	28 221
Retained income		**1 249 495**	1 413 596
Total equity attributable to equity holders of the parent		**1 381 031**	1 546 627
Non-controlling interest	15	**525**	(3 857)
Liabilities			
Non-current liabilities		**504 350**	444 301
Lease liabilities	4	**6 301**	2 399
Deferred tax	8	**253 392**	297 541
Borrowings	16	**512**	1 636
Instalment sale obligations	17	**181 950**	80 460
Post-employment medical benefit liability	18	**62 195**	62 265
Current liabilities		**440 382**	423 225
Borrowings	16	**1 128**	1 008
Instalment sale obligations	17	**72 376**	96 504
Trade and other payables	19	**231 935**	218 476
Post-employment medical benefit liability	18	**5 717**	5 172
Current tax payable		**3 237**	9 491
Provisions	20	**125 989**	92 574
Total liabilities		**944 732**	867 526
Total equity and liabilities		**2 326 288**	2 410 296

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000
Revenue	21	**2 605 820**	2 393 841
Other income		**47 052**	18 973
Operating expenses	22	**(2 077 391)**	(1 954 566)
Operating profit		**575 481**	458 248
Depreciation and amortisation	22	**(105 394)**	(99 787)
Investment income	23	**56 981**	35 583
Profit from equity accounted investment		**2 533**	7 239
Finance costs	24	**(23 897)**	(16 469)
Profit before taxation		**505 704**	384 814
Taxation	25	**(111 252)**	(107 355)
Profit for the year		**394 452**	277 459
Profit for the year attributable to:			
Equity holders of the parent		**389 940**	277 489
Non-controlling interest		**4 512**	(30)
		394 452	277 459
Earnings per share (cents)	26		
– Basic		**134.01**	95.55
– Diluted		**131.10**	94.89

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
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
- Actuarial gains on defined benefit plan	**3 783**	7 990
- Taxation relating to actuarial gains on defined benefit plan	**(1 022)**	(2 157)
Other comprehensive income for the year net of taxation	**2 761**	5 833
Total comprehensive income for the year	**397 213**	283 292
Total comprehensive income for the year attributable to:		
Equity holders of the parent	**392 701**	283 322
Non-controlling interest	**4 512**	(30)
	397 213	283 292

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Share capital R'000	Reinvest-ment reserve R'000	Share based payments reserve R'000	Common control reserve R'000	Maintenance reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to equity holders of the parent R'000	Non-controlling interests R'000	Total equity R'000
Balance at 1 April 2022	1 797 160	98 295	4 940	(1 800 000)	39 510	(1 657 255)	1 286 599	1 426 504	(12 651)	1 413 853
Other comprehensive income	-	-	-	-	-	-	5 833	5 833	-	5 833
Profit for the year	-	-	-	-	-	-	277 489	277 489	(30)	277 459
Issue of equity	2 923	-	(2 290)	-	-	(2 290)	(2 059)	(1 426)	-	(1 426)
Dividends	-	-	-	-	-	-	(156 731)	(156 731)	-	(156 731)
Transfers between reserves	-	-	-	-	(11 289)	(11 289)	11 289	-	-	-
Effect of changes in shareholding	-	-		-	-	-	(8 824)	(8 824)	8 824	-
Effect of equity settled share-based payments	-	-	3 782	-	-	3 782	-	3 782	-	3 782
Balance at 31 March 2023	1 800 083	98 295	6 432	(1 800 000)	28 221	(1 667 052)	1 413 596	1 546 627	(3 857)	1 542 770
Balance at 1 April 2023	**1 800 083**	**98 295**	**6 432**	**(1 800 000)**	**28 221**	**(1 667 052)**	**1 413 596**	**1 546 627**	**(3 857)**	**1 542 770**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**2 761**	**2 761**		**2 761**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**389 940**	**389 940**	**4 512**	**394 452**
Issue of equity	**2 984**	**-**	**(1 323)**	**-**	**-**	**(1 323)**	**3 977**	**5 638**	**-**	**5 638**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**(572 198)**	**(572 198)**	**-**	**(572 198)**
Transfers between reserves	**-**	**-**		**-**	**(11 289)**	**(11 289)**	**11 289**	**-**	**-**	**-**
Effect of changes in shareholding	**-**	**-**		**-**	**-**	**-**	**130**	**130**	**(130)**	**-**
Effect of equity settled share-based payments	**-**	**-**	**8 133**	**-**	**-**	**8 133**	**-**	**8 133**	**-**	**8 133**
Balance at 31 March 2024	**1 803 067**	**98 295**	**13 242**	**(1 800 000)**	**16 932**	**(1 671 531)**	**1 249 495**	**1 381 031**	**525**	**1 381 556**
Notes	12	13	27		14				15	

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000
Cash flows (to)/from operating activities		**(94 221)**	229 201
Cash generated from operations	28	**600 768**	468 335
Investment income received		**56 981**	32 583
Dividends paid		**(571 846)**	(156 731)
Finance costs paid		**(23 897)**	(16 469)
Taxation paid	29	**(156 227)**	(98 517)
Cash flows (to) investing activities		**(25 606)**	(9 496)
Acquisition of property, plant and equipment	3	**(58 302)**	(32 066)
Proceeds from sale of plant and equipment		**19 597**	13 435
Dividends received		**5 000**	3 000
Loan to associate received		**-**	5 882
Proceeds from insurance claims for capital assets	22	**8 099**	253
Cash flows (to) financing activities		**(96 593)**	(119 324)
Funding repaid	30	**(93 812)**	(116 949)
Principal paid on lease liabilities	4	**(2 781)**	(2 375)
(Decrease)/increase in cash and cash equivalents		**(216 420)**	100 381
Cash and cash equivalents			
At the beginning of the year		**678 621**	578 240
At the end of the year	11	**462 201**	678 621

1. MATERIAL ACCOUNTING POLICIES

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

1.1 Basis of preparation

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

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

These accounting policies are consistent with the previous period.

1.2 Consolidation and Equity accounting

Basis of consolidation

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

Subsidiaries

Subsidiaries are entities controlled by the Group, where control is when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Where the Group's interest in subsidiaries is less than 100%, the share of equity attributable to outside shareholders is reflected in non-controlling interest. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

Business combinations

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

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

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

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

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

Associates

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

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

MATERIAL ACCOUNTING POLICIES continued...

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

Goodwill

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

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

1.3 Common control transactions

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

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

1.4 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable operating segments, has been identified as the chief executive officer. Operating segments with similar economic characteristics are aggregated into one reportable segment which reflects the nature of the services provided by the Group.

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

1.5 Use of estimates, judgements and assumptions

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

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

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

Impairment of financial assets

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

Allowance for slow moving, damaged and obsolete inventory

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

MATERIAL ACCOUNTING POLICIES continued...

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

Impairment of non-financial assets

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

Residual values and useful lives of property, plant and equipment

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

The expected operational life for diesel buses commuter buses - 18 years and diesel luxury coaches - 15 years, electric buses (excluding battery) - 24 years and battery - 8 years. The estimated residual value of a diesel commuter bus after 18 years is R250 000 (2023: R250 000), for a luxury coach after 15 years is R500 000 (2023: R500 000) and an electric bus after 24 years is R50 000 (2023: R100 000). The battery is not expected to have any residual value.

Post-retirement health care benefit

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

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

Repurchase of service provision

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

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

Deferred income

Deferred income is recognised on unused, multi-journey ticket rides at year-end. Multi-journey tickets allow passengers to purchase a range of products from 5 ride to 48 ride products which expire ranging from 14 to 90 days respectively. In determining the amount of deferred income at year-end, the price per outstanding ride based on the latest price per product is multiplied by the actual number of rides outstanding per product. Management assumes that the ticket will be used before the expiry date. Refer also to Accounting policy note 1.17.

1.6 Property, plant and equipment

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

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

MATERIAL ACCOUNTING POLICIES continued...

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

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

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

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

1.7 Intangible assets

Trademarks

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

Computer software

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

1.8 Financial instruments

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

The Group’s financial assets comprise:
- Trade and other receivables
- Cash and cash equivalents

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

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

Note 36 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

MATERIAL ACCOUNTING POLICIES continued...

Trade and other receivables

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

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

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

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

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

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

Credit risk

Details of credit risk are included in the trade and other receivables note (note 10) and the financial instruments and risk management note (Note 36).

Borrowings and instalment sale obligations (interest bearing borrowings)

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

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

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

These debts expose the Group to liquidity risk and interest rate risk. Refer to Note 36 for details of risk exposure and management thereof.

Trade and other payables

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

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to Note 36 for details of risk exposure and management thereof.

Cash and cash equivalents

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

MATERIAL ACCOUNTING POLICIES continued...

Derecognition

Financial assets

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

Financial liabilities

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

1.9 Tax

Current tax assets and liabilities

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

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

Tax expenses

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

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

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

Deferred tax assets and liabilities

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

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

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

1.10 Leases

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

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

MATERIAL ACCOUNTING POLICIES continued...

Lease liability

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

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

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

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

Right-of-use asset

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

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

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

1.11 Inventories

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

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

1.12 Impairment of non-financial assets

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

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

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

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

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

1.13 Equity-settled share based payments

Equity-settled

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

MATERIAL ACCOUNTING POLICIES continued...

1.14 Other reserves

Reinvestment reserve

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

Maintenance reserve

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

1.15 Employee benefits

Short-term employee benefits

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

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

Defined contribution plans

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

Post-retirement medical benefits

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

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

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

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

1.16 Provisions and contingencies

Bonus provision

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

Repurchase of service provision

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

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

MATERIAL ACCOUNTING POLICIES continued...

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

A Bus Industry Restructuring Fund was set up in 1999 to compensate employers for some of these retrenchment amounts. The information required to calculate an estimate is contingent on a future event, the occurrence of which is unknown at this stage and as such a reliable estimate of the amount that would be paid to qualifying employers, cannot be made. Reference has been made to the existence of a contingent asset under Note 34, Contingent asset.

Third party claims provision

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

1.17 Revenue and deferred income

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

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

Revenue is recognised in profit or loss in the accounting period in which the service is performed in accordance with the terms of contracts, and when collections are reasonably assured.

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

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

Revenue from the sale of multi-journey tickets is recognised over time as rides are utilised. Deferred income is recognised on unused, multi-journey ticket rides at year-end. Multi-journey tickets allow passengers to purchase a range of products from 5 ride to 48 ride products which expire ranging from 14 to 90 days respectively. In determining the amount of deferred income at year-end, the price per outstanding ride based on the latest price per product is multiplied by the actual number of rides outstanding per product. Management assumes that the ticket will be used before the expiry date.

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

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

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

Revenue from bus or vehicle repairs and maintenance is recognised at a point in time when the service has been rendered. Other revenue comprises revenue from sale of scrap, advertising, training and sundry income (Refer to note 21).

MATERIAL ACCOUNTING POLICIES continued...

1.18 Interest income

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

1.19 Dividends

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

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Adoption of new and revised standards

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

- **IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-Current)**

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

- **IAS 1 Presentation of Financial Statements (Amendment - Disclosure of Accounting Policies)**

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information.

- **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)**

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of a change in accounting estimate prospectively remain unchanged.

- **IAS 12 Income Taxes (Amendment - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)**

The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15 and clarify that the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

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

2.2 Standards and interpretations not yet effective

The below applicable interpretations and amendments have been issued by the International Accounting Standards Board (IASB®) but were not yet effective at 31 March 2024.

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

Amendments to the following standards:

Standard	Anticipated adoption date
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment - Lack of Exchangeability)	**01 April 2025**
The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.	
IFRS 18 Presentation and Disclosure in Financial Statements	**01 April 2027**
IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies: *• Improved comparability in the statement of profit or loss through the introduction of three defined categories for income and expenses- operating, investing and financing.* *• Enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company- specific measures that are related to the income statement.* *•More useful grouping of information in the financial statements.*	
IFRS 19 Subsidiaries without Public Accountability: Disclosures	**01 April 2027**
IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.	

3. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Buses	**2 190 333**	**(966 393)**	**1 223 940**	2 073 397	(918 006)	1 155 391
Computers and computerised fare collection equipment	**98 173**	**(47 927)**	**50 246**	85 585	(42 881)	42 704
Fare collection equipment	**137**	**(137)**	**-**	137	(137)	-
Furniture and fixtures	**6 920**	**(6 228)**	**692**	6 568	(5 980)	588
Land and buildings	**376 581**	**-**	**376 581**	355 958	-	355 958
Leasehold improvements	**551**	**(421)**	**130**	534	(397)	137
Motor vehicles	**39 117**	**(21 525)**	**17 592**	33 341	(19 688)	13 653
Plant and machinery	**42 974**	**(29 680)**	**13 294**	39 115	(30 238)	8 877
Radio equipment	**2 168**	**(2 093)**	**75**	2 181	(1 977)	204
Total	**2 756 954**	**(1 074 404)**	**1 682 550**	2 596 816	(1 019 304)	1 577 512

Reconciliation of property, plant and equipment – 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Impairments R'000	Closing balance R'000
Buses	**1 155 391**	**177 935**	**(11 407)**	**(89 631)**	**(8 348)**	**1 223 940**
Computers and computerised fare collection equipment	**42 704**	**13 947**	**(49)**	**(5 993)**	**(363)**	**50 246**
Fare collection equipment	**-**	**-**	**-**	**-**	**-**	**-**
Furniture and fixtures	**588**	**446**	**(1)**	**(341)**	**-**	**692**
Land and buildings	**355 958**	**20 623**	**-**	**-**	**-**	**376 581**
Leasehold improvements	**137**	**17**	**-**	**(24)**	**-**	**130**
Motor vehicles	**13 653**	**9 099**	**(182)**	**(4 978)**	**-**	**17 592**
Plant and machinery	**8 877**	**6 406**	**(935)**	**(1 054)**	**-**	**13 294**
Radio equipment	**204**		**-**	**(129)**	**-**	**75**
	1 577 512	**228 473**	**(12 574)**	**(102 150)**	**(8 711)**	**1 682 550**

Reconciliation of property, plant and equipment – 2023

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

Bus additions to the value of R170 170 000 (2023: R71 934 000) were financed by instalment sale agreements and are not reflected as cash flows from investing activities.

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

Instalment sales are secured by buses with a book value of R254 326 000 (2023: R176 963 000). Refer to note 17.

PROPERTY, PLANT AND EQUIPMENT continued...

13 Golden Arrow buses (2023: 11 Golden Arrow buses) with a net book value of R8 348 000 (2023: R7 596 000) were impaired during the year. R5 507 000 (2023: R4 645 000) is receivable from insurance proceeds and is included in trade receivables (refer to note 10).

4. LEASES

The Group recognises right-of-use assets and lease liabilities in relation to the lease of four properties (2023 : three properties).

The current year movement includes both a lease remeasurement and a lease modification.

Reconciliation of right-of-use assets	2024 R'000	2023 R'000
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)
Carrying value at the end of the year	8 819	4 828

The right-of-use assets are depreciated on a straight-line basis over the term of the lease (2023: over the term of the lease). Lease agreement terms range from 3 to 10 years.

Reconciliation of lease liabilities	2024 R'000	2023 R'000
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	-
Carrying value at the end of the year	9 369	5 113

Of which:	2024 R'000	2023 R'000
Current (included in Trade and other payables)	3 068	2 714
Non-current	6 301	2 399
	9 369	5 113

Lease liabilities are measured at the present value of the remaining lease payments and discounted using the Group's incremental borrowing rate. Subsequently, the lease liability increases as a result of interest charged and reduces by lease payments made.

Included in profit for the period is R3 243 000 (2023: R5 139 000) of depreciation on the right-of-use assets and R870 000 (2023: R410 000) of finance costs on the lease liabilities. Short-term and low-value leases included in operating expenses were R3 868 000 (2023: R3 147 000) and R426 000 (2023: R442 000) respectively. Lease payments of R3 651 000 (2023: R2 786 000) were recognised in respect of the lease liability, of which R2 781 000 (2023: R2 375 000) related to the principal amount.

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

31 March 2024	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 3 years R'000	Between 3 and 4 years R'000	Between 4 and 5 years R'000	Over 5 years R'000	Total R'000
Lease liabilities	3 933	3 417	2 552	216	229	1 065	11 412

LEASES continued...

31 March 2023	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 3 years R'000	Between 3 and 4 years R'000	Between 4 and 5 years R'000	Over 5 years R'000	Total R'000
Lease liabilities	3 046	2 426	65	-	-	-	5 537

Commitments relating to low value leases	2024 R'000	2023 R'000
As lessee		
Minimum lease payments due:		
– Within one year	187	178
– in second to fifth year inclusive	297	484
	484	662

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

The aggregate undiscounted commitments for short-term leases amount to R4 174 000 at 31 March 2024 (2023: R3 802 000).

5. GOODWILL

	2024			2023		
	Cost R'000	Accumulated impairment R'000	Carrying value R'000	Cost R'000	Accumulated impairment R'000	Carrying value R'000
Goodwill	28 187	(4 247)	23 940	28 187	(4 247)	23 940

Reconciliation of goodwill - 2024	Opening balance R'000	Impairment R'000	Closing balance R'000
Goodwill	23 940	-	23 940

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

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

Sibanye Bus Services	R18 647 000 (2023: R18 647 000)
Eljosa Travel and Tours	R4 204 000 (2023: R4 204 000)
Frontier Tyres	R889 000 (2023: R889 000)
Shuttle Up	R200 000 (2023: R200 000)

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

	Eljosa Travel and Tours & Shuttle up	Sibanye Bus Services	Frontier Tyres
Pre-tax discount rates:	12.77% (2023: 12.37%)	12.77% (2023: 12.37%)	12.77% (2023: 12.37%)
Number of years:	5 years (2023: 5 years)	5 years (2023: 5 years)	5 years (2023: 5 years)
Cost growth rate:	4 - 6% (2023: 4 - 6%)	4 - 6% (2023: 4 - 6%)	4 - 6% (2023: 4 - 6%)
Long-term growth rate:	5.5% (2023: 5.5%)	5.5% (2023: 5.5%)	5.5% (2023: 5.5%)

GOODWILL continued...

The following assumptions were applied when reviewing goodwill for impairment:

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

6. INTANGIBLE ASSETS

	2024			2023		
	Cost R'000	Accumulated amortisation R'000	Carrying value R'000	Cost R'000	Accumulated amortisation R'000	Carrying value R'000
Trademarks	57	-	57	57	-	57
Computer software	10 996	(10 994)	2	10 996	(10 994)	2
Total	11 053	(10 994)	59	11 053	(10 994)	59

Reconciliation of intangible assets - 2024	Opening balance R'000	Amortisation R'000	Closing balance R'000
Trademarks	57	-	57
Computer software	2	-	2
	59	-	59

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

7. INVESTMENT IN ASSOCIATE

Name of company	% ownership interest 2024	% ownership interest 2023	Carrying amount 2024 R'000	Carrying amount 2023 R'000
The N2 Express Joint Venture Proprietary Limited	33.33%	33.33%	3 515	5 982
			3 515	5 982

Reconciliation of equity accounted investment in associates as at 31 March	2024 R'000	2023 R'000
Investment at beginning of period	5 982	1 743
Share of profit	2 533	7 239
Dividends received from associate	(5 000)	(3 000)
Investment at end of period	3 515	5 982

Summarised financial information of associate	2024 R'000	2023 R'000
Summarised statement of profit or loss		
Turnover	84 460	84 978
Net profit after tax	7 601	21 717

INVESTMENT IN ASSOCIATE continued...

Associate with different reporting date

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

8. DEFERRED TAX

	2024 R'000	2023 R'000
Deferred tax liability		
Accelerated depreciation for tax purposes	**(337 918)**	(346 120)
Assessed losses	**17 897**	-
Deferred income	**8 232**	4 818
Fair value adjustment on defined benefit plan	**(1 021)**	(2 157)
Fair value adjustment on associate on gain of control	**(2 052)**	(2 052)
Prepayments	**(7 023)**	(4 996)
Provisions and accruals	**60 175**	54 636
Lease liabilities	**2 177**	2 193
Right-of-use assets	**(2 818)**	(2 893)
Share based payments	**9 213**	-
Other	**731**	399
Total deferred tax liability	**(252 407)**	(296 172)
Composition of deferred tax		
Deferred tax liability	**(253 392)**	(297 541)
Deferred tax asset	**985**	1 369
Total net deferred tax liability	**(252 407)**	(296 172)

Reconciliation of deferred tax liability	2024 R'000	2023 R'000
At beginning of year	**(296 172)**	(298 765)
Accelerated depreciation for tax purposes	**8 202**	(1 094)
Assessed losses recognised	**17 897**	-
Deferred income	**3 414**	549
Fair value adjustment on defined benefit plan	**1 136**	(679)
Prepayments	**(2 027)**	988
Provisions and accruals	**5 539**	3 167
Lease liabilities	**723**	1 299
Right-of-use assets	**(665)**	(1 305)
Share based payments	**9 213**	-
Other	**333**	(332)
At the end of the year	**(252 407)**	(296 172)

9. INVENTORIES

	2024 R'000	2023 R'000
Fuel	**8 498**	7 190
Oil	**1 356**	1 647
Spares	**27 016**	18 206
Raw materials	**1 430**	-
Work in progress	**4 768**	5 441
	43 068	32 484

The carrying value of spares stated at net realisable value at year-end is R27 016 000 (2023: R18 206 000).

For the year ended 31 March 2024

10. TRADE AND OTHER RECEIVABLES

	2024 R'000	2023 R'000
Financial assets		
Trade receivables	65 126	51 412
Allowance for expected credit losses	(3 428)	(2 795)
Trade receivables at amortised cost	61 698	48 617
Deposits	1 701	3 362
Other receivable	4 976	3 472
Non-financial assets		
VAT	2 259	140
Prepayments	26 136	25 101
Total trade and other receivables	96 770	80 692
Trade and other receivables are categorised as follows:		
Financial assets at amortised cost	68 375	55 451
Non-financial assets	28 395	25 241
	96 770	80 692

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due (see also note 36).

Expected credit loss

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

The Group principally contracts with government entities with whom it has a long-standing history. The Group also has a significant cash customer base.

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

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

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

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

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

TRADE AND OTHER RECEIVABLES continued...

Allowance for expected credit losses on trade receivables

At 31 March 2024, trade receivables of R3 428 000 (2023: R2 795 000) were charged to the loss allowance account. In measuring the expected credit losses, specific debtors that were known to be irrecoverable, were assessed separately. The gross amount of these trade receivables and expected credit losses relating to specific debtors, that were assessed separately, totalled R3 428 000 (2023: R2 795 000), and relate to debtors that have been handed over to attorneys for collection and debtors that have been outstanding for more than one year. The remaining balance of debtors did not have significant exposure to credit risk and as such no loss allowance was raised on the balance of trade receivables.

Movement in the allowance for expected credit losses on trade and other receivables are as follows:	2024 R'000	2023 R'000
Loss allowance as at 1 April	2 795	3 611
Loss allowance recognised during the year	2 778	1 129
Receivables written off during the year	(655)	(1 224)
Loss allowance unused and reversed during the year	(1 490)	(721)
	3 428	2 795

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

Trade receivables past due

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

Other receivables

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

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

11. CASH AND CASH EQUIVALENTS

	2024 R'000	2023 R'000
Cash and cash equivalents consist of:		
Cash on hand	438	475
Bank balances	461 763	678 146
	462 201	678 621

12. SHARE CAPITAL

	2024 R'000	2023 R'000
Authorised		
1 000 000 000 Ordinary shares of no par value		
Issued		
291 180 254 Ordinary shares of no par value	1 803 067	1 800 083
Details of the issued share capital changes in terms of option scheme are as follows:		
At the beginning of the year	1 800 083	1 797 160
Share issue - directors	955	341
Share issue - management	2 029	2 582
	1 803 067	1 800 083

13. REINVESTMENT RESERVE

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

	2024 R'000	2023 R'000
Balance at the end of the year	98 295	98 295

14. MAINTENANCE RESERVE

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

	2024 R'000	2023 R'000
Opening balance	28 221	39 510
Transfer to retained income	(11 289)	(11 289)
	16 932	28 221

15. NON-CONTROLLING INTEREST ("NCI")

Name of company	Location	NCI % Holding 2024	NCI % Holding 2023	Carrying amount 2024 R'000	Carrying amount 2023 R'000
Eljosa Travel & Tours Proprietary Limited	South Africa	7.30%	7.30%	(2 263)	(3 827)
Shuttle Up Proprietary Limited	South Africa	0.00%	10.00%	-	197
Alpine Truck and Bus Proprietary Limited	South Africa	49.00%	49.00%	2 788	(227)
				525	(3 857)

Summary financial information of subsidiary - Eljosa Travel & Tours Proprietary Limited ("Eljosa")	2024 R'000	2023 R'000
Non-current assets	80 182	82 940
Current assets	10 282	10 875
Non-current liabilities	3 443	31 070
Current liabilities	117 815	114 965
Equity and reserves	(30 794)	(52 220)
Turnover	86 425	76 657
Profit for the year	21 426	1 468
Reconciliation of carrying value of non-controlling interest of Eljosa		
Opening balance	(3 827)	(12 651)
Profit for the year after tax	21 426	1 468
Profit attributable to owners of parent	(19 862)	(1 468)
Change in ownership	-	8 824
Closing balance	(2 263)	(3 827)

For the year ended 31 March 2024

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

Summary financial information of subsidiary – Shuttle Up Proprietary Limited ("Shuttle Up")	**2024 R'000**	**2023 R'000**
Non-current assets	**3 621**	4 435
Current assets	**1 225**	1 480
Non-current liabilities	**3 135**	3 606
Current liabilities	**405**	338
Equity and reserves	**1 306**	1 971
Turnover	**6 477**	6 429
(Loss)/Profit for the year	**(702)**	628
Reconciliation of carrying value of non-controlling interest of Shuttle up		
Opening balance	**197**	134
(Loss)/Profit for the year after tax	**(702)**	628
Loss/(Profit) attributable to owners of parent	**635**	(565)
Change in ownership	**(130)**	-
Closing balance	**-**	197

At 31 March 2024, HPL and R Investments Proprietary Limited increased their shareholding from 90% to 100%, while non-controlling interest decreased from 10% to 0%. R215 000 was paid for the change in shareholding.

Summary financial information of subsidiary – Alpine Truck and Bus Proprietary Limited ("Alpine")	**2024 R'000**	**2023 R'000**
Non-current assets	**3 123**	2 456
Current assets	**25 219**	13 242
Non-current liabilities	**1 552**	2 790
Current liabilities	**21 092**	13 370
Equity and reserves	**5 698**	(462)
Turnover	**150 063**	50 514
Profit/(Loss) for the year	**6 160**	(190)
Reconciliation of carrying value of non-controlling interest of Alpine		
Opening balance	**(227)**	(134)
Profit/(Loss) for the year after tax	**6 160**	(190)
(Profit)/Loss attributable to owners of parent	**(3 145)**	97
Closing balance	**2 788**	(227)

16. BORROWINGS

	2024 R'000	2023 R'000
Held at amortised cost		
ABSA Limited – Term loan	1 640	2 645
This loan is unsecured, bears interest at prime and is repayable in monthly instalments over the term until 2025.		
	1 640	2 645
Shown as:		
Non-current liabilities	512	1 636
Current liabilities	1 128	1 008
	1 640	2 645

17. INSTALMENT SALE OBLIGATIONS

	2024 R'000	2023 R'000
Instalment sale obligations	254 326	176 964
Shown as:		
Non-current liabilities	181 950	80 460
Current liabilities	72 376	96 504
	254 326	176 964
The present value of instalment sale obligations due per financial institution are as follows:		
Wesbank	51 449	13 661
Repayable in monthly instalments of R1 175 000 (2023: R286 000)		
Nedbank Limited	66 353	56 146
Repayable in monthly instalments of R2 678 000 (2023: R3 195 000)		
MAN Financial Services	68 348	58 358
Repayable in monthly instalments of R2 869 000 (2023: R2 688 000)		
The Standard Bank of South Africa Limited	68 176	45 437
Repayable in monthly instalments of R2 449 000 (2023: R1 803 000)		
ABSA Bank Limited	-	3 362
This loan has been settled in the current year (2023: Repayable in monthly instalments of R704 000)		
	254 326	176 964

Interest is charged at a weighted average effective rate of 10.76% (2023: 9.76%) and monthly instalments are repayable over a period of five years.

Instalment sales are secured over buses with a book value of R254 326 000 (2023: R176 964 000). Refer to note 36 for further information regarding the liquidity risk associated with the Group's borrowings.

18. POST-EMPLOYMENT MEDICAL BENEFIT LIABILITY

Defined benefit plan

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

The calculation of the accrued service liability in respect of post-retirement health care was performed by Actuarial Benefits and Consulting Solutions (Pty) Ltd as at 31 March 2024 and amounted to R67 912 000 (2023: R67 437 000).

	2024 R'000	2023 R'000
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	**67 912**	67 437

Categorised as follows:	2024 R'000	2023 R'000
Non-current liabilities	**62 195**	62 265
Current liabilities	**5 717**	5 172
	67 912	67 437
Movements for the year		
Opening balance	**67 437**	71 616
Net income recognised	**475**	(4 179)
	67 912	67 437
Net expense recognised is made up as follows:		
Current service cost	**1 353**	1 480
Interest cost	**8 077**	7 789
Pensioner subsidy	**(5 172)**	(5 458)
Expense recognised in profit or loss	**4 258**	3 811
Actuarial gains recognised in other comprehensive income	**(3 783)**	(7 990)
	475	(4 179)

Key assumptions used for the valuation	2024	2023
Normal retirement age	**65**	65
Discount rate used	**12.80%**	12.20%
Price inflation rate used	**6.80%**	6.60%
Continuation of membership at retirement	**55.00%**	55.00%
Discovery Health expected long term medical aid subsidy increase rates	**9.20%**	9.00%
Medical Benefit Fund expected long term medical aid subsidy increase rates	**8.70%**	8.50%

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

Sensitivity analysis

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

Accrued liability	2024 Change in R'000	2023 Change in R'000	2024 Change in %	2023 Change in %
discount rate increased by 0.50% p.a.	**(2 918)**	(3 068)	**(4.3)**	(5.0)
discount rate reduced by 0.50% p.a.	**3 167**	3 343	**4.7**	5.0
subsidy increase rate increased by 1% p.a.	**6 634**	7 002	**10.0**	10.0
subsidy increase rate reduced by 1% p.a.	**(5 705)**	(5 976)	**8.4**	(9.0)

19. TRADE AND OTHER PAYABLES

	2024 R'000	2023 R'000
Financial liabilities		
Trade payables	95 759	89 444
Accruals	36 135	56 022
Payroll accruals	25 271	9 732
Other payables	13 116	13 101
Non-financial liabilities		
Leave pay accruals	29 061	27 849
Deferred income	29 178	18 444
VAT	347	1 170
Lease liability (Refer to Note 4)	3 068	2 714
	231 935	218 476
Trade and other payables are categorised as follows:		
Financial liabilities at amortised cost	170 281	168 299
Non-financial liabilities	61 654	50 177
	231 935	218 476

20. PROVISIONS

Reconciliation of provisions –2024	Opening balance R'000	Additions R'000	Utilised during the year R'000	Reversed during the year R'000	Reclassification R'000	Closing balance R'000
Bonus provision	45 344	74 825	(66 517)	(6 281)	(140)	47 231
Repurchase of service provision	38 770	1 128	-	(1 128)	-	38 770
Third party claims provision	8 460	11 178	(7 155)	(5 409)	-	7 074
Exemption provision	-	-	-	-	32 914	32 914
	92 574	87 131	(73 672)	(12 818)	32 774	125 989

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

Bonus provision

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

Repurchase of service provision

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

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

PROVISIONS continued...

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

A Bus Industry Restructuring Fund was set up in 1999 to compensate employers for some of these retrenchment amounts. The information required to calculate an estimate is contingent on a future event, the occurrence of which is unknown at this stage and as such a reliable estimate of the amount that would be paid to qualifying employers, cannot be made. Reference has been made to the existence of a contingent asset under note 34 Contingent asset.

Third party claims provision

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

Exemption provision

The group has applied to the Labour Court for exemptions from paying all staff who fall under the South African Road Passenger Bargaining Council (SARPBAC) an across the board increase since 2018, and has proposed an alternative method of calculation in respect of increases to staff who are currently paid in excess of the SARPBAC minimum, which if not granted would require the group to pay employees historical amounts calculated on a different basis to the rate currently being applied. The wage agreement is considered prejudicial to the group, which is following due process, the outcome of which is uncertain. The amount is considered a provision due to the uncertainty in timing of the outflow.

21. REVENUE

	2024 R'000	2023 R'000
Revenue from bus services		
Revenue recognised over time		
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
Revenue recognised at a point in time		
Sale of single journey tickets	360 419	353 827
Charter hire services	115 587	101 128
Total revenue from bus services	2 430 857	2 321 451
Revenue from goods sold		
Revenue recognised at a point in time		
Sale of vehicles	108 029	7 627
Sale of spares, tyres and retreads	43 915	35 107
	151 944	42 734
Revenue from automotive repair services		
Revenue recognised at a point in time		
Bus and vehicle repair and maintenance	14 406	7 365
Tyre repairs and related services	4 964	4 531
	19 370	11 896
Other revenue		
Revenue recognised over time	-	1 868
Revenue recognised at a point in time	3 649	15 892
	3 649	17 760
Total revenue	2 605 820	2 393 841

22. PROFIT BEFORE TAXATION

Profit before taxation for the year is stated after charging/(crediting) the following, amongst others:	2024 R'000	2023 R'000
External auditors' remuneration		
Audit fees - current year	3 352	3 385
Audit fees - prior year	230	-
Other services	345	-
Total external auditors' remuneration	3 927	3 385
Internal auditors' remuneration	1 933	1 667
Consulting, legal and professional services	11 804	11 838
Employee costs		
Salaries, wages, bonuses and other benefits	921 672	852 733
Pension fund contributions	58 178	47 797
Total employee costs	979 850	900 530
Leases		
Short term leases	3 868	3 147
Low-value leases	426	442
Total leases	4 294	3 589
Depreciation and amortisation		
Depreciation of property, plant and equipment	102 150	94 649
Depreciation of right-of-use assets	3 243	5 139
Total depreciation and amortisation	105 393	99 787
Impairment losses		
Plant and equipment	8 711	7 946
Total impairment losses	8 711	7 946
Movement in credit loss allowances		
Trade and other receivables	633	(816)
Other		
Profit on disposal of plant and equipment	(7 025)	(1 244)
Proceeds from insurance claims	8 099	4 645
Inventory write downs	76	113
Share-based payments equity settled	8 133	3 782
Cost of sales - Goods sold	163 887	58 865

23. INVESTMENT INCOME

	2024 R'000	2023 R'000
Bank	56 964	35 583
Other interest	17	-
Total investment income	56 981	35 583

24. FINANCE COSTS

	2024 R'000	2023 R'000
Instalment sale obligations	23 027	16 059
Lease liability (refer to note 4)	870	410
Total finance costs	23 897	16 469

25. TAXATION

Major components of the tax expense	2024 R'000	2023 R'000
Current		
Local income tax – current period	151 188	112 143
Local income tax – recognised in current tax for prior periods	(787)	(33)
	150 401	112 110
Deferred		
Originating and reversing temporary differences	(39 149)	(6 450)
Deferred tax - under provision prior year	-	1 695
	(39 149)	(4 755)
Total tax expense	111 252	107 355

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

	2024 R'000	2023 R'000
Actuarial gains on post-employment benefit plan	(1 022)	(2 157)

Assessed losses not recognised

Various subsidiaries have incurred historical operating losses which result in losses for tax purposes. Losses for tax purposes available for set off against future taxable income and for which deferred tax assets have not been raised are estimated at:

	2024 R'000	2023 R'000
- Assessed losses on normal tax	104 629	107 927
Tax relief at current rates:		
- Normal tax	28 250	29 140

Reconciliation between applicable tax rate and average effective tax rate	2024	2023
Applicable tax rate	27.00%	27.00%
Non-taxable income - section 12L allowance	(0.99%)	(1.20%)
Non-taxable income - employment tax incentive	(0.01%)	0.00%
Share of profits from associate	(0.10%)	(0.20%)
Expenses not in production of income	0.50%	0.30%
Deferred tax not raised on losses	(0.20%)	0.80%
Prior year charges	(0.20%)	1.20%
Raising of deferred tax assets	(4.00%)	-
Effective tax rate	22.00%	27.90%

26. HEADLINE EARNINGS PER SHARE

	2024 R'000		2023 R'000	
Reconciliation of headline earnings	Gross	Net	Gross	Net
Earnings attributable to equity holders of the parent		389 940		277 489
Adjustments for:				
Profit on disposal of plant and equipment	(7 025)	(5 128)	(1 244)	(908)
Insurance claims for capital assets	(8 099)	(5 912)	(4 645)	(3 391)
Impairment of plant and equipment	8 711	6 359	7 946	5 801
Headline earnings		385 259		278 991

HEADLINE EARNINGS PER SHARE continued...

	2024	2023
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 issue (‘000)		
– Basic	290 987	290 414
– Diluted	297 440	292 432
Actual number of shares 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).

Reconciliation of average number of diluted shares	**2024 R'000**	**2023 R'000**
Basic weighted average number of shares	290 987	290 414
Dilution effect of share options	6 453	2 018
Diluted weighted average number of shares	297 440	292 432

27. GROUP EMPLOYEE OPTION SCHEME

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

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

	2024		**2023**	
	Number of share options	**Weighted average exercise price R**	**Number of share options**	**Weighted average exercise price R**
Balance at the beginning of the year	15 554 978	4.09	5 634 634	3.26
Options vested	(814 976)	5.03	(1 009 112)	4.90
Options forfeited	(21 560)	-	(875 026)	-
Options granted	1 816 218	5.54	11 804 482	4.40
Balance at the end of the year	16 534 660	4.24	15 554 978	4.09

GROUP EMPLOYEE OPTION SCHEME continued...

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

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

The volume weighted average share price during the current year was R5.64 (2023: R4.86).

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

	2024 R'000	2023 R'000
Balance at the beginning of the year	6 432	4 940
Equity-settled share-based payment expense for the year	8 133	3 782
Share-based payments reserve transferred to retained income	(1 323)	(2 290)
Balance at the end of the year	13 242	6 432

The options issued in terms of the Scheme and outstanding at 31 March 2024 become unconditional between the following dates:

	2024	
Number of share options	Number of share options	Exercise price R
Between 16 March 2024 and 16 September 2024	315 494	3.28
Between 22 March 2024 and 22 September 2024	324 890	3.70
Between 31 March 2024 and 30 September 2024	587 312	2.72
Between 1 August 2024 and 1 February 2025	196 151	3.43
Between 16 March 2025 and 16 September 2025	315 493	3.28
Between 31 March 2025 and 30 September 2025	587 311	2.72
Between 06 December 2025 and 05 June 2026	3 934 827	4.40
Between 31 March 2026 and 30 September 2026	587 310	2.72
Between 06 December 2026 and 05 June 2027	3 934 827	4.40
Between 28 March 2027 and 28 September 2027	605 406	5.54
Between 06 December 2027 and 05 June 2028	3 934 827	4.40
Between 28 March 2028 and 28 September 2028	605 406	5.54
Between 28 March 2029 and 28 September 2029	605 406	5.54
Balance at the end of the year	16 534 660	

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

Subsequent to year end, 1 227 695 share options became unconditional and were exercised by participants.

For the year ended 31 March 2024

GROUP EMPLOYEE OPTION SCHEME continued...

Share options granted to executive directors

Mr FE Meyer	2024 Number of share options	2024 Weighted average exercise price R	2023 Number of share options	2023 Weighted average exercise price R
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	4 516 323	4.21	4 354 863	4.08
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	90 902	3.28	90 902	3.28
Between 22 March 2024 and 22 September 2024	70 300	3.70	70 300	3.70
Between 31 March 2024 and 30 September 2024	196 370	2.72	196 370	2.72
Between 16 March 2025 and 16 September 2025	90 902	3.28	90 902	3.28
Between 31 March 2025 and 30 September 2025	196 370	2.72	196 370	2.72
Between 06 December 2025 and 05 June 2026	1 117 482	4.40	1 117 482	4.40
Between 31 March 2026 and 30 September 2026	196 371	2.72	196 371	2.72
Between 06 December 2026 and 05 June 2027	1 117 482	4.40	1 117 482	4.40
Between 28 March 2027 and 28 September 2027	107 554	5.54	-	-
Between 06 December 2027 and 05 June 2028	1 117 482	4.40	1 117 482	4.40
Between 28 March 2028 and 28 September 2028	107 554	5.54	-	-
Between 28 March 2029 and 28 September 2029	107 554	5.54	-	-
	4 516 323	4.21	4 354 863	4.08

Subsequent to year end, 357 573 options became unconditional and were exercised by Mr FE Meyer (see also note 32).

Mr ML Wilkin	2024 Number of share options	2024 Weighted average exercise price R	2023 Number of share options	2023 Weighted average exercise price R
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

GROUP EMPLOYEE OPTION SCHEME continued...

	2024		2023	
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 05 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 05 June 2027	**700 266**	**4.40**	700 266	4.40
Between 06 December 2027 and 05 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**	-	-
	2 830 240	**4.21**	2 729 003	4.08

Subsequent to year end, 224 095 options became unconditional and were exercised by Mr ML Wilkin (see also note 32).

28. CASH GENERATED FROM OPERATIONS

	Notes	2024 R'000	2023 R'000
Profit before taxation		**505 704**	384 814
Adjustments for:			
Depreciation and amortisation	3 & 4	**105 393**	99 787
Profit on disposal of plant and equipment	27	**(7 025)**	(1 244)
Share base payments		**8 133**	3 782
Profit from equity accounted investments	6	**(2 533)**	(7 239)
Interest income		**(56 981)**	(32 583)
Finance costs		**23 897**	16 469
Impairment of plant and equipment	27	**8 711**	7 946
Proceeds from insurance claims	27	**-**	(4 645)
Movements in post-employment medical benefit liability		**4 258**	3 811
Movements in provisions - cash		**107 088**	695
Movements in provisions - non-cash		**(73 672)**	-
Movement in loss allowance		**1 288**	(816)
Movement in deferred revenue - cash		**11 882**	2 633
Movement in deferred revenue - non-cash		**(1 149)**	-
Non-cash items - shares issued through share incentive scheme		**(2 984)**	(2 923)
Other non cash items		**(6 211)**	-
Changes in working capital:			
Inventories		**(10 584)**	3 531
Trade and other receivables		**(17 366)**	510
Trade and other payables		**2 919**	(6 193)
		600 768	468 335

29. TAX PAID

	2024 R'000	2023 R'000
Balance at beginning of the year	**(4 683)**	8 911
Current tax for the year recognised in profit or loss	**(150 401)**	(112 111)
Balance at end of the year	**(1 143)**	4 683
	(156 227)	(98 517)

30. BORROWINGS ARISING FROM FINANCING ACTIVITIES

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

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

R170 170 000 (2023: R71 934 000) of debt raised in the period relates to instalment sale obligations used to finance bus acquisitions, and therefore has not been included in the cash flow statement as a cash flow amount.

31. RELATED PARTIES

Relationships

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

	2024 R'000	2023 R'000
Related party balances		
Amounts included in trade receivables (trade payables) regarding related parties		
HCI Foundation	**340**	254
The N2 Express Joint Venture Proprietary Limited	**8 550**	6 083
HCI Managerial Services Proprietary Limited	**(144)**	(144)
	8 746	6 193
Related party transactions		
Sales to related party		
HCI Foundation	**(2 075)**	(2 097)
Administration fees paid to related party		
HCI Managerial Services Propriety Limited	**1 956**	1 952
Contributions paid to related party		
Golden Arrow Employee's Medical Benefit Fund	**39 181**	36 918

RELATED PARTIES continued...

	2024 R'000	2023 R'000
Dividends paid to related parties		
Hosken Consolidated Investments Limited	457 593	125 700
La Concorde Holdings Limited	12 423	3 412
	470 016	129 112
Internal audit fees paid to related party		
GRIPP Advisory Proprietary Limited	1 933	1 667
Compensation paid to directors and other key management		
Salaries and other short-term employee benefits	37 284	35 708
Post-employment benefits	1 348	1 250
Termination benefits	592	728
Share-based payments	756	185
	39 980	37 871

32. DIRECTORS' INTEREST AND EMOLUMENTS

Directors' interest

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

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

Director 2024	Direct number of shares held	Direct % of shares in issue held	Indirect number of shares held	Indirect % of shares in issue held	Total number of shares held	Total % of shares in issue held
FE Meyer	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%

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

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

	Additional direct number of shares acquired	Additional % of shares in issue acquired
FE Meyer	369 150	0.13%
ML Wilkin	231 531	0.08%

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

For the year ended 31 March 2024

DIRECTORS' INTEREST AND EMOLUMENTS continued...

Directors fees paid by Frontier Transport Holdings Group

	Paid by Frontier Transport Holdings	Paid by Golden Arrow Bus Services Proprietary Limited					
	Directors' fees	Salary	Fringe benefits including medical aid	Pension contributions	Bonus	Gain from share schemes	Total
Year ended 31 March 2024	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Executive directors							
FE Meyer	-	3 737	1 073	349	4 729	569	10 457
ML Wilkin	-	2 928	620	274	3 703	387	7 912
Non-executive directors							
L Govender	222	-	-	-	-	-	222
NB Jappie	77	-	-	-	-	-	77
MF Magugu	99	-	-	-	-	-	99
RD Watson	193	-	-	-	-	-	193
	591	6 665	1 693	623	8 432	956	18 960

For the year ended 31 March 2024

DIRECTORS' INTEREST AND EMOLUMENTS continued...

Directors fees paid by Hosken Consolidated Investments Group

	Paid by E-media Holdings Ltd	Paid by Deneb Investments Ltd	Paid by Tsogo Sun Ltd	Paid by Hosken Consolidated Investments					
	Directors' fees	Directors' fees	Directors' fees	Directors' fees	Salary	Fringe benefits including medical aid	Bonus	Gain from share schemes	Total
Year ended 31 March 2024	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Non-executive directors									
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
MF Magugu	-	-	-	476	-	-	-	-	476
RD Watson	282	-	525	565	-	-	-	-	1 372
	505	292	525	1 041	12 786	125	8 393	10 433	34 100

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, JR Nicolella and TG Govender 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' INTEREST AND EMOLUMENTS continued...

Directors fees paid by Frontier Transport Holdings Group

	Paid by Frontier Transport Holdings	Paid by Golden Arrow Bus Services Proprietary Limited					
	Directors' fees	Salary	Fringe benefits including medical aid	Pension contributions	Bonus	Gain from share schemes	Total
Year ended 31 March 2023	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Executive directors							
FE Meyer	-	3 501	972	327	4 295	209	9 304
ML Wilkin	-	2 742	601	256	3 364	131	7 094
	-	6 243	1 573	583	7 659	340	16 398
Non-executive directors							
L Govender	208	-	-	-	-	-	208
NB Jappie	181	-	-	-	-	-	181
RD Watson	181	-	-	-	-	-	181
	570	6 243	1 573	583	7 659	340	16 968

For the year ended 31 March 2024

DIRECTORS' INTEREST AND EMOLUMENTS continued...

Directors fees paid by Hosken Consolidated Investments Group

	Paid by E-media Holdings Ltd	Paid by Deneb Investments Ltd	Paid by Tsogo Sun Ltd	Paid by Hosken Consolidated Investments					
	Directors' fees	Directors' fees	Directors' fees	Directors' fees	Salary	Fringe benefits including medical aid	Bonus	Gain from share schemes	Total
Year ended 31 March 2023	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Non-executive directors									
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
	476	277	516	531	11 975	102	7 851	9 945	31 673

33. COMMITMENTS

Authorised capital expenditure	2024 R'000	2023 R'000
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.

34. CONTINGENT ASSET

A Bus Industry Restructuring Fund was set up in 1999 to compensate employers for some of these retrenchment amounts in respect of unionised employees who would be affected by changes should routes be put out to tender at some stage in the future. The information required to calculate an estimate is contingent on a future event, the occurrence of which is unknown at this stage and as such a reliable estimate of the amount that would be paid to qualifying employers, cannot be made.

35. 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 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.

36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets held at amortised cost	Notes	2024 Amortised cost R'000	2023 Amortised cost R'000
Trade and other receivables	10	68 375	55 451
Cash and cash equivalents	11	462 201	678 621
		530 576	734 072

Categories of financial liabilities held at amortised cost	Notes	2024 Amortised cost R'000	2023 Amortised cost R'000
Trade and other payables	19	170 281	168 299
Borrowings	16	1 640	2 645
Instalment sale obligations	17	254 326	176 964
		426 247	347 908

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 16 & 17, cash and cash equivalents disclosed in note 11, and equity as disclosed in the statement of financial position.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued...

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

There are no externally imposed capital requirements.

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

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

	Notes	2024 R'000	2023 R'000
Borrowings	16	1 640	2 645
Lease liability	4	6 301	2 399
Trade and other payables	19	231 935	218 476
Instalment sale obligations	17	254 326	176 964
Total borrowings		494 202	400 484
Cash and cash equivalents	11	(462 201)	(678 621)
Net borrowings		32 001	(278 137)
Equity		1 381 556	1 542 770
Gearing ratio		0 %	0 %

Financial risk management

Overview

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

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

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

Credit risk

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

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

The Group limits its exposure to credit risk by only investing in liquid securities and only investing with major banks with generally high credit ratings that are independently rated. The Group uses credit rating agencies, such as Moody's and Standards and Poor to assess the credit rating of the financial institutions in which it deposits cash in short to medium term deposits. The credit quality of cash and cash equivalents (excluding petty cash), and other financial assets as at 31 March 2024 and 31 March 2023 can therefore be assessed by reference to their external credit rating as follows:

Credit agency	Credit Rating	31 March 2024 R'000	Credit Rating	31 March 2023 R'000
Moody's	Baa3	461 763	Ba2	678 146

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued...

Credit rating definition (Moody's Baseline Credit Assessment):

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

Baa3 = Moderate credit risk investment grade

The credit score of the majority of South Africa's major banks remain downgraded in line with South Africa's sovereign rating. In November 2020 Moody's downgraded South Africa's sovereign rating from Ba1 to Ba2. In March 2024 Moody's downgraded South Africa's sovereign rating from Ba2 to Baa3.

The Group did not consider there to be any significant concentration of credit risk within the trade receivables balance which was both individually material and which had not been adequately provided for. Refer to note 10 for further credit risk analysis in respect of trade and other receivables.

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

		2024			2023		
	Notes	Gross carrying amount R'000	Credit loss allowance R'000	Carrying value R'000	Gross carrying amount R'000	Credit loss allowance R'000	Carrying value R'000
Trade and other receivables	10	**71 803**	**(3 428)**	**68 375**	58 246	(2 795)	55 451
Cash and cash equivalents	11	**461 763**	**-**	**461 763**	678 146	-	678 146
		533 566	**(3 428)**	**530 138**	736 392	(2 795)	733 597

Liquidity risk

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

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

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

2024	Less than 1 year R'000	1 to 2 years R'000	2 to 3 years R'000	3 to 4 years R'000	4 to 5 years R'000	Total R'000	Carrying amount R'000
Non-current liabilities							
Borrowings	**-**	**-**	**-**	**-**	**526**	**526**	**512**
Instalment sale obligations	**-**	**68 933**	**64 494**	**55 876**	**27 463**	**216 766**	**181 950**
Current liabilities							
Trade and other payables	**170 281**	**-**	**-**	**-**	**-**	**170 281**	**170 281**
Borrowings	**1 263**	**-**	**-**	**-**	**-**	**1 263**	**1 128**
Instalment sale obligations	**95 639**	**-**	**-**	**-**	**-**	**95 639**	**72 376**
	267 183	**68 933**	**64 494**	**55 876**	**27 989**	**484 475**	**426 247**

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued...

2023	Less than 1 year R'000	1 to 2 years R'000	2 to 3 years R'000	3 to 4 years R'000	4 to 5 years R'000	Total R'000	Carrying amount R'000
Non-current liabilities							
Borrowings	-	-	-	-	1 770	1 770	1 636
Instalment sale obligations	-	49 405	18 044	14 723	9 202	91 374	80 460
Current liabilities							
Trade and other payables	168 299	-	-	-	-	168 299	168 299
Borrowings	1 249	-	-	-	-	1 249	1 008
Instalment sale obligations	108 499	-	-	-	-	108 499	96 504
	278 047	49 405	18 044	14 723	10 972	371 191	347 907

Foreign currency risk

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

Interest rate risk

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

Based on average interest rates of those disclosed in note 16 and 17, at 31 March 2024 a 1% fluctuation in interest rates higher/lower, with all other variables constant, would have resulted in a R1 868 000 (2023: R1 311 000) decrease/increase in post-tax profits for the year.

38. FAIR VALUE INFORMATION

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

39. EVENTS AFTER THE REPORTING PERIOD

On 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 (see also note 27).

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 financial statements that would affect the operations or results of the Group significantly.

FRONTIER TRANSPORT HOLDINGS LIMITED

(Registration Number 2015/250356/06)

Consolidated Annual Financial Statements for the year ended 31 March 2024

Statistics	31-Mar-24 R'million	31-Mar-23 R'million	31-Mar-22 R'million	31-Mar-21 R'million	31-Mar-20 R'million
Revenue	2 606	2 394	2 080	1 641	2 048
% change in revenue	8.90%	15.10%	26.80%	(19.87%)	
Other income	47	19	12	16	19
Operating expenses	(2 077)	(1 955)	(1 644)	(1 272)	(1 579)
Operating expenses as a % of revenue	80%	82%	79%	77%	77%
Operating profit	575	458	448	385	489
Operating margin	22%	19%	22%	23%	24%
Depreciation	(105)	(100)	(92)	(92)	(93)
Investment income	57	36	16	13	26
Income from equity accounted investments	2.5	7.2	1.4	(0.5)	0.4
Finance costs	(24)	(16)	(20)	(30)	(50)
Profit before tax	506	385	353	276	380
Tax	(111)	(107)	(96)	(77)	(117)
Effective tax rate	22%	28%	27%	28%	31%
Profit for the year	394	277	257	199	263
Non controlling interest	(0.5)	3.9	12.7	8.2	2.2
Equity attributable to equity holders of parent	(1 381)	(1 547)	(1 427)	(1 292)	(1 229)
Weighted average number of shares	291	290	290	290	290
HEPS (cents)	132.4	96.0	90.0	70.0	86.4
% change in HEPS	37.92%	6.70%	28.60%	(19.00%)	
Dividend per share (cents)	186	57	52	44	45
Shareholders equity	(1 382)	(1 543)	(1 414)	(1 284)	(1 227)
NAV per share (cents)	475	531	488	443	423
Share price (cents)	645	510	500	349	320
Price to NAV (times)	1.36	0.96	1.03	0.79	0.76
Cash and cash equivalents	462	679	578	498	490
Cash per share (cents)	159	234	199	172	169
ROE	26.30%	18.90%	19.40%	16.10%	21.40%
Capital Employed	2 326	2 410	2 325	2 302	2 364
Turnover to Capital Employed	1.12	0.99	0.89	0.71	0.87
Employee costs	980	901	887	781	878
Employee costs as a % of revenue	37.60%	37.60%	42.70%	47.60%	42.90%
CEO remuneration	10.5	9.3	8.7	9.3	8.0
CFO remuneration	7.9	7.1	6.5	7.4	6.5
Total number of shares held by CEO	297 048	163 833	121 569	121 569	107 569
% of total shares issued	0.10%	0.06%	0.04%	0.04%	0.04%
Acquisition of property,plant and equipment	58	32	12	7	39
Bus additions per instalment sale obligations	170	72	13	28	160
Golden Arrow Bus Services (Pty) Ltd					
Breakdowns per 100 000 km	3	3	3	2	3
Fleet Age Average Years	10	10	10	10	9
Fuel Consumption (km per litre)	2.62	2.51	2.54	2.65	2.53