Frontier Transport Holdings Limited

(Registration Number 2015/250356/06)

Separate Company Annual Financial Statements

for the year ended 31 March 2024

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Index

General information

Country of incorporation and domicile	South Africa
Registration number	2015/250356/06
Nature of business and principal activities	The Company serves as an investment holding company and is listed on the JSE. The Company holds 100% of the shares of HPL and R Investments Proprietary Limited, which holds interests in various subsidiaries operating within the transport sector. These investment holdings are detailed further in the Directors report.
Directors	Mr Y Shaik Mr TG Govender Mr JR Nicolella Mr FE Meyer Mr ML Wilkin Mr L Govender Ms RD Watson Mr MF Magugu (appointed on 5 October 2023) Ms SNN Mkhwanazi (appointed on 1 May 2024)
Ultimate holding company	Hosken Consolidated Investments Limited incorporated in South Africa.
Registered office	103 Bofors Circle Epping Industria Cape Town 8000
Postal address	PO Box 1795 Cape Town 8000
Level of assurance	These separate company financial statements have been audited in compliance with applicable requirements of the Companies Act 71 of 2008, of South Africa.
Auditor	BDO South Africa Incorporated Chartered Accountants (SA) Registered Auditors
Company secretary	HCI Managerial Services Proprietary Limited

Directors' responsibilities and approval

The directors are required in terms of the Companies Act 71 of 2008, of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards (IFRS Accounting Standards) and the requirements of the Companies Act 71 of 2008 of South Africa. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied 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 acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing, and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Company's cash flow forecasts and, in light of this review and the current financial position, they are satisfied that the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external auditor and the auditor's audit report is presented on pages 6 to 8.

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

(a) the annual financial statements as set out on pages 9 to 29, 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 the 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 set out on pages 9 to 29 which have been prepared on the going concern basis, were approved by the directors and were signed on 31 July 2024 on their behalf by:

Mr ML Wilkin	Mr FE Meyer

Cape Town

31 July 2024

Directors' report

The directors present their report for the year ended 31 March 2024.

The Company's annual financial statements, as set out on pages 9 to 29, are presented separately from the Group's consolidated annual financial statements which are available on the Company's website (www.frontiertransport.co.za).

1. Review of activities

Nature of business

The Company serves as an investment holding company and is listed on the JSE. The Company holds 100% of the shares of HPL and R Investments Proprietary Limited, which holds interests in various subsidiaries operating within the transport sector. These investment holdings are detailed further in the Directors report. There were no material changes to the nature of the Company's business from the prior year.

Review of results

Full details of the financial position, results of operations and cash flows of the Company are set out in these annual financial statements.

2. 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 financial statements have been prepared on the basis of accounting policies applicable to a going concern.

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

3. Events after reporting date

On 10 June 2024, the Company issued 1 266 527 ordinary no par value shares to participants who exercised their options under the Group employee option scheme.

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

4. Authorised and issued share capital

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

5. Ordinary cash dividends

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

Directors' report

6. Directors

The directors in office at the date of this report are as follows:

Directors	Office	Designation
Mr Y Shaik	Chairperson	Non-executive
Mr TG Govender		Non-executive
Mr JR Nicolella		Non-executive
Mr FE Meyer	Chief executive officer	Executive
Mr ML Wilkin	Chief financial officer	Executive
Mr L Govender	Lead independent	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
Ms RD Watson		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.

7. 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%). Hosken Consolidated Investments Limited is incorporated in South Africa and listed on the JSE.

8. 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%

9. Liquidity and solvency

The directors have performed the required liquidity and solvency test required by the Companies Act 71 of 2008 of South Africa.

10. Auditor

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.

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Independent Auditor's Report

To the Shareholders of

Frontier Transport Holdings Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Frontier Transport Holdings Limited (the company) set out on pages 9 to 29 , which comprise the separate statement of financial position as at 31 March 2024, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Frontier Transport Holdings Limited as at 31 March 2024, and its separate financial performance and separate 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 Separate Financial Statements* section of our report. We are independent of the company 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

We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Frontier Transport Holdings Limited, (Registration Number 2015/250356/06), Separate Company Financial Statements for the year ended 31 March 2024", the document titled "Frontier Transport Holdings Annual Financial Statements 2024", and the document titled "Frontier Transport Holdings Limited Integrated Annual Report for the year ended 31 March 2024", which includes the Directors' Report 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 separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 Separate Financial Statements
The directors are responsible for the preparation and fair presentation of the separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 company'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 company'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 separate 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 separate 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

Frontier Transport Holdings Limited

(Registration Number 2015/250356/06)

Separate Company Financial Statements for the year ended 31 March 2024

Statement of financial position

Figures in R `000	Notes	2024	2023
Assets			
Non-current assets			
Investment in subsidiary	3	1 800 000	1 800 000
Current assets			
Other receivables		586	194
Loan to group company	4	12 487	12 770
Cash and cash equivalents	6	15 492	14 860
Total current assets		**28 565**	**27 824**
Total assets		**1 828 565**	**1 827 824**
Equity and liabilities			
Equity			
Issued capital	7	1 803 067	1 800 083
Retained income		12 951	15 829
Total equity		**1 816 018**	**1 815 912**
Liabilities			
Current liabilities			
Trade and other payables	8	440	733
Current tax payable		118	8
Dividends payable		11 521	11 169
Loan from group company	5	468	2
Total current liabilities		**12 547**	**11 912**
Total equity and liabilities		**1 828 565**	**1 827 824**

Statement of profit or loss and other comprehensive income

Figures in R `000	Notes	2024	2023
Revenue	9	572 590	159 033
Other operating expenses		(3 159)	(2 448)
Finance costs		(5)	-
Profit before tax	10	**569 426**	**156 585**
Taxation	11	(106)	(27)
Profit for the year		**569 320**	**156 558**
Other comprehensive income net of tax		-	-
Total comprehensive income for the year		**569 320**	**156 558**

Frontier Transport Holdings Limited

(Registration Number 2015/250356/06)

Separate Company Financial Statements for the year ended 31 March 2024

Statement of changes in equity

Figures in R `000		Issued capital	Retained income	Total
Balance at 1 April 2022		1 797 160	16 002	1 813 162
Total comprehensive income for the year		-	156 558	156 558
Issue of equity		2 923	-	2 923
Ordinary cash dividends		-	(156 731)	(156 731)
Balance at 31 March 2023		**1 800 083**	**15 829**	**1 815 912**
Total comprehensive income for the year		-	569 320	569 320
Issue of equity		2 984	-	2 984
Ordinary cash dividends		-	(572 198)	(572 198)
Balance at 31 March 2024		**1 803 067**	**12 951**	**1 816 018**
	Notes	**7**		

Statement of cash flows

Figures in R `000	Notes	2024	2023
Cash flows from operating activities			
Net cash flows used in operations	12	(394)	(101)
Dividend income received		572 198	158 931
Interest paid		(5)	-
Interest income received		392	102
Income tax refunded / (paid)	14	4	(22)
Net cash flows from operating activities		**572 195**	**158 910**
Cash flows from investing activities			
Loan to group company repaid		283	400
Net cash flows from investing activities		**283**	**400**
Cash flows used in financing activities			
Dividends paid	13	(571 846)	(155 779)
Cash flows used in financing activities		**(571 846)**	**(155 779)**
Net increase in cash and cash equivalents		**632**	**3 531**
Cash and cash equivalents at beginning of the year		14 860	11 329
Cash and cash equivalents at end of the year	6	**15 492**	**14 860**

Material accounting policies

1. Basis of preparation and summary of material accounting policies

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with IFRS Accounting Standards and IFRIC interpretations issued and effective at the time of preparing these financial statements, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act 71 of 2008, of South Africa, as amended.

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies are consistent with the previous period.

1.1 Investment in subsidiary

Investment in subsidiary is carried at cost less any accumulated impairment losses.

The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company.

1.2 Financial instruments

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

Financial instruments include the following:

- Loan to group company
- Other receivables
- Cash and cash equivalents
- Trade and other payables
- Dividends payable
- Loan from group company

Note 16 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

Initial recognition
The Company recognises a financial asset or a financial liability in its statement of financial position when the entity becomes party to the contractual provisions of the instrument.

Initial measurement
At initial recognition, the Company measures its financial instruments at it fair value.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

Loan to group company

Classification
Loan to group company (note 4) are classified as financial assets subsequently measured at amortised cost.

Subsequent measurement
They are subsequently measured at amortised cost.

Material accounting policies

Basis of preparation and summary of material accounting policies continued...

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

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

Write off policy

The Company writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Other receivables

Other receivables are recognised when the Company becomes a party to the contractual provisions.

Impairment

The Company applies a simplified approach and recognises a loss allowance for expected credit losses on other receivables, as this item does not have a significant financing component. The amount of expected credit losses is updated at each reporting date. Loss allowance for all other receivables is determined as lifetime expected credit losses (simplified approach). This is the default approach for other receivables.

Write off policy

Other receivables are written off when there is no reasonable expectation of recovery. Other receivables written off may still be subject to enforcement activities under Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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

The Company 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 has been handed over to attorneys for collection, whether the customer was a governmental or bank 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.

Loan from group company

Classification

Loan from group company (note 5) is classified as financial liabilities subsequently measured at amortised cost.

Subsequent measurement

Loan from group company is subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the amortised cost of a financial liability.

Material accounting policies

Basis of preparation and summary of material accounting policies continued...

Loan from group company exposes the Company to liquidity risk. Refer to note 16 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.

Trade and other payables

Classification

Trade and other payables (note 8) are classified as financial liabilities subsequently measured at amortised cost.

Subsequent measurement

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 16 for details of risk exposure and management thereof.

Derecognition

Financial assets

The Company 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.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.3 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 expense

Current taxes are recognised as income or an expense and included in profit or loss for the period.

1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.5 Revenue

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

Dividends are recognised, in profit or loss, when the Company's right to receive payment has been established.

Material accounting policies

Basis of preparation and summary of material accounting policies continued...

1.6 Significant judgements and sources of estimation uncertainty

The preparation of the financial statements in accordance with IFRS Accounting Standards requires that certain critical accounting estimates and assumptions be used.

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Use of estimates, judgements and assumptions

Management did not make critical judgements in the application of accounting policies which would significantly affect the financial statements.

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year.

Material accounting policies

2. New Standards and Interpretations

Standards and Interpretations effective and adopted in the current year

The following applicable amendments have been adopted by the Company 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 Company.

Standards and interpretations not yet effective

The standards and amendments listed below will be effective for future reporting periods. The directors do not expect the below standards to have a material quantitative effect, although they may affect disclosure information in the financial statement. The Company has chosen not to adopt any of the below standards and interpretations earlier than required.

Standard	Effective date
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment - Lack of Exchangeability) *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.*	1 April 2025
IFRS 18 Presentation and Disclosure in Financial Statements *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.*	1 April 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures *IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.*	1 April 2027

Notes to the financial statements

Figures in R `000	2024	2023

3. Investment in subsidiary

Name of company	Principal activity	% holding 2024	% holding 2023
HPL and R Investments Proprietary Limited	Transport	100.00%	100.00%
Carrying amount		1 800 000	1 800 000

The carrying amount of investment in subsidiary is shown net of impairment losses.

The Group prepares consolidated financial statements which are presented separately to these Company financial statements.

4. Loan to Group company

	2024	2023
HPL and R Investments Proprietary Limited	12 487	12 487
The loan is unsecured, interest free and repayable on demand.		
Eljosa Travel and Tours Proprietary Limited	-	283
The loan is unsecured, interest free and repayable on demand.		
	12 487	**12 770**

Exposure to credit risk

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

In determining the amount of expected credit loss, the Company considered the financial position of the subsidiary company and the future prospects of the industry in which it invests. The loan is considered to be fully recoverable.

5. Loan from Group company

	2024	2023
Golden Arrow Bus Services Proprietary Limited	468	2
The loan is unsecured, interest free and repayable on demand.		

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024	2023
Bank balances	15 492	14 860

7. Share capital

Authorised

1 000 000 000 ordinary shares of no par value

Issued

	2024	2023
291 180 254 ordinary shares of no par value	1 803 067	1 800 083

Notes to the financial statements

Figures in R `000	2024	2023
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
At the end of the year	**1 803 067**	**1 800 083**

8. Trade and other payables

	2024	2023
Financial instrument:		
Accrued expenses	440	733

9. Revenue

Revenue consists of:

	2024	2023
Dividend income from Group entity		
Dividends received from HPL and R Investments Proprietary Limited	572 198	158 931
Interest income		
Bank interest	392	102
	392	**102**
Total revenue	**572 590**	**159 033**

10. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

	2024	2023
Non-executive directors fees	592	571
External auditors' remuneration		
Audit fees	710	581

11. Taxation

Major components of tax expense

	2024	2023
Current tax		
Current year	106	27

The income tax for the year can be reconciled to accounting profit as follows:

	2024	2023
Applicable tax rate	27.00%	27.00%
Tax effect of:		
Exempt income (dividend income)	(27.00%)	(27.00%)
Non-deductible expenses	0.02%	0.02%
Effective tax rate	**0.02%**	**0.02%**

Notes to the financial statements

Figures in R `000

12. Net cash flows used in operations

	Note	2024	2023
Profit for the year		569 320	156 558
Adjustments for:			
Income tax expense		106	27
Dividend income		(572 198)	(158 931)
Interest income		(392)	(102)
Finance costs		5	-
Non-cash items - shares issued through share incentive scheme		2 984	2 248
Non-cash loan received from Golden Arrow Bus Services (Pty) Ltd	20	466	-
Change in working capital			
Other receivable		(392)	(101)
Trade and other payables		(293)	200
Net cash flows from operations		**(394)**	**(101)**

13. Dividends paid

	2024	2023
Balance at the beginning of the year	(11 169)	(10 217)
Ordinary dividends	(572 198)	(156 731)
Dividends due at the end of the year	11 521	11 169
	(571 846)	(155 779)

14. Income tax paid

	2024	2023
Balance at the beginning of the year	(8)	(3)
Current tax expense	(106)	(27)
Balance due at the end of the year	118	8
	4	(22)

15. Related parties

Relationships

Ultimate holding company	Hosken Consolidated Investments Limited
Subsidiaries	HPL and R Investments Proprietary Limited
	Golden Arrow Bus Services Proprietary Limited
	Table Bay Area Rapid Transit Proprietary Limited
	Sibanye Bus Services Proprietary Limited
	Frontier Tyres Proprietary Limited
	Shuttle Up Proprietary Limited
	Eljosa Travel & Tours Proprietary Limited
	Alpine Truck and Bus Proprietary Limited
Associate	N2 Express Joint Venture Proprietary Limited

Notes to the financial statements

Figures in R `000		2024	2023
Related party balances			
Loan accounts - owing (to) / by related parties			
HPL and R Investments Proprietary Limited		12 487	12 487
Eljosa Travel & Tours Proprietary Limited		-	283
Golden Arrow Bus Services Proprietary Limited		(468)	(2)
Dividends received from related parties			
HPL and R Investments Proprietary Limited		572 198	158 931
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
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

16. Financial instruments and risk management

Categories of financial instruments

		Amortised cost	Amortised cost
Categories of financial assets			
Other receivable		586	194
Loan to Group company	4	12 487	12 770
Cash and cash equivalents	6	15 492	14 860
		28 565	**27 824**
Categories of financial liabilities			
Trade and other payables	8	440	733
Loan from Group company	5	468	2
Dividends payable		11 521	11 169
		12 429	**11 904**

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

Capital risk management

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

The capital structure of the Company consists of equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, 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).

Notes to the financial statements

Figures in R `000	2024	2023

There are no externally imposed capital requirements.

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

Financial risk management

Overview

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

- Credit risk; and
- Liquidity risk

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company 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 maximum exposure to credit risk is presented in the table below:

		2024		2023	
	Notes	Gross carrying amount	Amortised cost/fair value	Gross carrying amount	Amortised cost/fair value
Other receivable		586	586	194	194
Loan to Group company	4	12 487	12 487	12 770	12 770
Cash and cash equivalents	6	15 492	15 492	14 860	14 860
		28 565	**28 565**	**27 824**	**27 824**

Liquidity risk

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

Cash flow forecasts are prepared and reviewed by management. Golden Arrow Bus Services Proprietary Limited, the Company's major subsidiary, has committed to continue funding the ongoing expenses of the Company.

The maturity profile of contractual cash flows of the Company's financial liabilities are presented in the following table. The amounts disclosed in the table are the contractual undiscounted cash flows. All balances are due within 12 months and equal their carrying amount, as the impact of discounting is not significant.

Notes to the financial statements

Figures in R `000	2024	2023

	Notes	2024		2023	
		Less than 1 year	Carrying amount	Less than 1 year	Carrying amount
Trade and other payables	8	440	440	733	733
Loan from Group company	5	468	468	2	2
Dividends payable		11 521	11 521	11 169	11 169
		12 429	**12 429**	**11 904**	**11 904**

Interest rate risk

As the Company has no significant interest-bearing liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Notes to the financial statements
Figures in R `000

17. 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 held in issue	Indirect number of shares held	Indirect % of shares held in issue	Total number of shares held	Total % of shares held in issue
FE Meyer	297 048	0.10%	256	0.00%	297 304	0.10%
ML Wilkin	99 743	0.03%	-	0.00%	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%
	489 784	0.16%	**831 659**	0.28%	**1 321 443**	0.45%

Director 2023	Direct number of shares held	Direct % of shares held in issue	Indirect number of shares held	Indirect % of shares held in issue	Total number of shares held	Total % of shares held in issue
FE Meyer	163 577	0.06%	256	0.00%	163 833	0.06%
ML Wilkin	26 324	0.01%	-	0.00%	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%
	282 894	0.10%	**831 659**	0.28%	**1 114 553**	0.00%

Notes to the financial statements

Figures in R `000

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	231 351	0.08%

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

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

Notes to the financial statements
Figures in R `000

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.

Notes to the financial statements

Figures in R `000

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

Notes to the financial statements
Figures in R `000

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

Notes to the financial statements

Figures in R `000	2024	2023

18. 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 financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The Company has no financial covenants imposed by their funders. Based on these cash flow forecasts the directors are of the view that the Company 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 Company nor are they aware of any material non-compliance with statutory or regulatory requirements which may affect the Company.

19. 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.

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

20. Borrowings arising from financing activities

	2024	2023
Carrying value at beginning of the year	**2**	**-**
Non-cash:		
Raising of loans	466	2
Carrying value at the end of the year	**468**	**2**