



FRONTIER
Transport Holdings

(Formerly Hosken Passenger Logistics and Rail Limited)

2022 INTEGRATED ANNUAL REPORT

CORPORATE INFORMATION

SHAREHOLDERS' DIARY

Financial year-end	31 March 2022
Annual general meeting	29 August 2022
Reports	
• Interim report to 30 September 2022	November 2022
• 2022 Integrated Annual Report	July 2022

CORPORATE INFORMATION

Directors

Executive directors

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

Non-executive directors

Y Shaik (chairperson)
TG Govender
JR Nicolella (appointed 3 May 2022)

Independent non-executive directors

L Govender (lead independent director)
NB Jappie
RD Watson

Company name and registration

FRONTIER TRANSPORT HOLDINGS LIMITED
(Formerly Hosken Passenger Logistics and Rail 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

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ABOUT THIS REPORT

SCOPE OF INTEGRATED ANNUAL REPORT AND ASSURANCE

Frontier Transport Holdings Limited (“Frontier” or “the Group” or “the Company”), formerly Hosken Passenger Logistics and Rail Limited, is pleased to present its Integrated Annual Report for the year ended 31 March 2022 (“2022 Integrated Report” or “Report”).

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

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

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

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

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

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

At 31 March 2022, Hosken Consolidated Investments Limited (“HCI”), a premier listed black empowerment investment company, owns approximately 82.22% of Frontier and publishes its own integrated annual report, which is available at www.hci.co.za.

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

- King IV™ application register
- 2022 consolidated annual financial statements

FINANCIAL STATEMENTS

This Report contains summarised audited consolidated annual financial statements. The full set of audited consolidated annual financial statements are available online at www.frontiertransport.co.za or can be requested directly from the Company at info@frontiertransport.co.za.

MATERIALITY

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

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

FORWARD-LOOKING STATEMENTS

This Report may contain certain statements about the Group that may constitute forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Board cautions users that forward-looking statements are not a guarantee of future performance. These forward-looking statements have not been reviewed nor reported on by the Group's independent auditors.

STATEMENT OF THE BOARD OF DIRECTORS ON THE 2022 INTEGRATED REPORT

The 2022 Integrated Report was compiled through collaboration with all of the subsidiaries of Frontier.

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

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

The Group's Audit and Risk Committee reviewed the 2022 Integrated Report and consolidated annual financial statements and recommended them to the Board for approval. The Board acknowledges its responsibility to ensure the integrity of the 2022 Integrated Report, and believes that it addresses all material issues, and fairly represents the integrated performance of the Group.

The summarised consolidated annual financial statements were prepared in accordance with IFRS, JSE Listing Requirements and the Companies Act, while the 2022 Integrated Report was prepared using the guidelines of the GRI G4 and recommended principles of King IV™.

In our opinion the 2022 Integrated Report and summarised consolidated annual financial statements fairly represent the financial position of the Group as at 31 March 2022 and its operations for the year ended 31 March 2022.

On behalf of the Board



FE Meyer
Chief executive officer

26 July 2022

GROUP OVERVIEW

INTRODUCTION

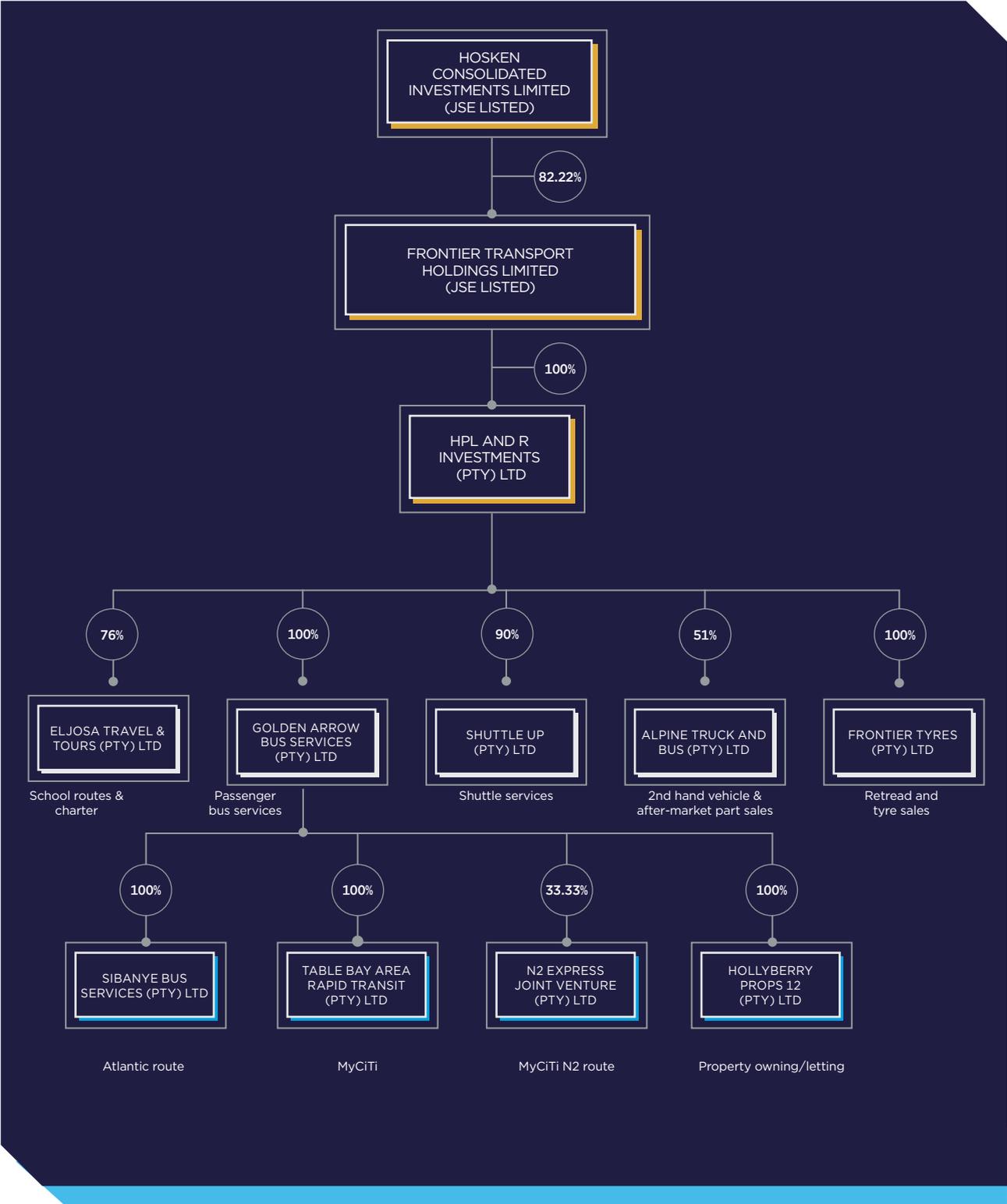
Frontier is an investment entity tailored to consolidate and expand opportunities in the mobility and logistics sectors. The current portfolio is rooted in the bus and luxury coach segments.

Through its major subsidiary, Golden Arrow Bus Services Proprietary Limited with over 160 years of proven operational expertise, the Company aims to harness the combined institutional knowledge and skill sets to pursue further prospects in bus and coach operations and potential entrées into freight, rail and logistics operations.



FRONTIER GROUP STRUCTURE

At 31 March 2022, the structure of the Group was as follows:



INVESTMENTS

Golden Arrow Bus Services (Golden Arrow)

Tracing its roots back to 1861, Golden Arrow Bus Services has a fleet of 1 056 buses, serving more than 3 100 routes in metropolitan Cape Town, covering a total area of approximately 2460 km². Generally, the fleet travels 60 million kilometres, conveying 56 million passengers annually, at a rate of approximately 220 000 passengers per week day. Golden Arrow has, in all its forms, over the period of its 160 year history, continued to keep the bus service operational in order to provide the people of Cape Town with safe, affordable and reliable bus service.

For more information on Golden Arrow, please go to www.gabs.co.za

ElJoSa Travel and Tours (ElJoSa)

ElJoSa was established in 2004 and operates 48 luxury and semi-luxury coaches in the schools and luxury tour markets with depots in Cape Town and Gauteng.

For more information on ElJoSa, please go to www.ElJoSa.co.za

Sibanye Bus Services (Sibanye)

Sibanye was established in 2001 and operates 58 buses providing services from Atlantis to the Cape Metropole.

Table Bay Area Rapid Transit (TBRT)

TBRT is contracted as a vehicle operating company for the City of Cape Town's MyCiTi brand. It operates the trunk service along the Atlantic corridor from Table View to the CBD, as well as services from the CBD to Sea Point and Camps Bay and has a fleet of 78 vehicles.

N2 Express

The N2 Express service is a joint venture operated by Golden Arrow Bus Services, Lisekhonikamva (CODETA) and Mitchells Plain Rapid Transit (Route Six) on behalf of MyCiTi. The N2 Express MyCiTi contract expired on 31 May 2019 and a new contract commenced in February 2022.

Shuttle Up

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

Alpine Truck and Bus

On 1 May 2021, the Group acquired a 51% stake in Alpine Truck and Bus which offers premium used trucks and buses and branded aftermarket spare parts for buses and trucks, operating from branches in Richards Bay, Durban and Cape Town.

Frontier Tyres

Frontier Tyres was added to the Group on 1 March 2022. Its service offering features everything from tyre retreading, new tyre sales, trailer and tyre inspections, rim refinishing to emergency tyre assistance and more.

KEY STATISTICS*

	Year ended 31 March 2022	Year ended 31 March 2021	
 	Buses operated during peak	1 023	811
	Total annual kilometres travelled	64.6 million	50 million
	Number of staff employed	2 534	2 298
	Year ended 31 March 2022	Year ended 31 March 2021	
	Buses operated during peak	56	55
	Total annual kilometres travelled	3.7 million	3.6 million
Number of staff employed	235	237	
	Year ended 31 March 2022	Year ended 31 March 2021	
	Buses operated during peak	15	10
	Total annual kilometres travelled	2.8 million	0.5 million
Number of staff employed	61	30	

* FY 2021 statistics influenced by COVID-19 lockdown restrictions.



SHAREHOLDER ANALYSIS

Listed below is an analysis of shareholdings extracted from the register of ordinary shareholders at 31 March 2022.

DISTRIBUTION OF SHAREHOLDERS

SHARE RANGE	Number of shareholders	% of shareholders	Number of shares	% of issued capital
1 – 1 000	2 651	62.22%	714 537	0.24%
1 001 – 10 000	1 178	27.65%	4 202 760	1.45%
10 001 – 50 000	346	8.12%	7 069 897	2.44%
50 001 – 100 000	43	1.01%	3 098 107	1.07%
100 001 – 500 000	24	0.56%	4 691 582	1.62%
500 001 – 1 000 000	7	0.16%	4 867 441	1.68%
1 000 001 shares and over	12	0.28%	265 355 676	91.50%
Total	4 261	100.00%	290 000 000	100.00%

TYPE OF SHAREHOLDER

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Bank	1	0.02%	3 368	0.00%
Broker	13	0.31%	2 445 973	0.84%
Close corporation	21	0.49%	237 482	0.08%
Other corporation	130	3.05%	3 839 991	1.32%
Endowment fund	4	0.09%	40 550	0.01%
Fund	4	0.09%	3 855 281	1.33%
Individual	3 598	84.44%	14 352 072	4.95%
Investment company	2	0.05%	5 055	0.00%
Private company	249	5.85%	23 737 712	8.19%
Provident fund	1	0.02%	19 500	0.01%
Public company	9	0.21%	238 077 610	82.10%
School	3	0.07%	1 905	0.00%
Trust	226	5.31%	3 383 501	1.17%
Total	4 261	100.00%	290 000 000	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”)	238 429 171	82.22%

SHAREHOLDER SPREAD

To the best of the knowledge of the directors and after reasonable enquiry, the spread of shareholders at 31 March 2022, was as follows:

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Public shareholding	4 252	99.79%	50 539 776	17.43%
Non-Public shareholding	9	0.21%	239 460 224	82.57%
HCI (direct)	1	0.02%	232 777 041	80.27%
HCI (indirect)	1	0.02%	5 652 130	1.95%
FE Meyer (direct)*	1	0.02%	116 813	0.04%
FE Meyer (indirect)*	4	0.09%	4 756	0.00%
TG Govender (direct)*	1	0.02%	87 808	0.03%
TG Govender (indirect)*	1	0.02%	821 676	0.28%
Total	4 261	100.00%	290 000 000	100.00%

* directors

STAKEHOLDERS

VALUE-CREATION ACTIVITIES:

Passengers



Delivery of safe and reliable scheduled passenger transport

Suppliers



Long-term planning, contracting and subsequent payment for goods and services

Government



Participation in optimised regulation of industry and lobbying

Regulatory bodies



Long-term engagement with Provincial Regulating Entity to ensure compliance

Industry



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

Employees/ Unions



Employment, wages and other employee benefits

Shareholders/ investors



Dividends and share price appreciation

Communities



Investment in community projects through transport projects and direct monetary contributions



STRATEGY

Frontier's strategy entails:

- Consolidating and maximising the performance of existing investments;
- Identifying and acquiring transport and logistics related businesses in niche markets; and
- Leveraging economies of scale and industry expertise in existing operations as a basis for pursuing investment opportunities with feasible risk/reward profiles.

Frontier will seek to increase shareholder value through:

- Enhancing the value of established business operations

The Group will seek to enhance the value of its current business operations by improving operating margins and refining operating efficiencies across the entire business value chain.

- Entrenching first tier status of entities in public transport contracts

The Group will strive to deliver over and above the stipulated mandate in contracts that are subsidy based to entrench the Group's legacy as a proficient public transport service operator.

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

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

STRATEGIC ACTIVITIES:

Emphasis has been given to a number of focus areas which include:

- Improved operating margins through an automated fare collection system, savings on unproductive kilometres and on-going fleet recapitalisation;
- Use of existing diverse skill sets in the management of passenger transport operations to identify and pursue future acquisitions;
- Expansion of existing operations into new areas;
- Use of custom-built Training and Recruitment Centre to supply services to external clients; and
- Optimisation of benefits offered by sustainable technologies throughout the operations, which includes countering rising fuel costs by introducing electric vehicles.



CHAIRPERSON AND CHIEF EXECUTIVE OFFICER'S REPORT

A resilient corporate ethos driven by innovative management approaches provided the basis for the Frontier Group's sterling operational performance and organic growth amid a contracting macroeconomic environment impacted by the COVID pandemic and volatile fuel prices.

Vigilant compliance with the Disaster Management Act and stringent internal control measures implemented across all Group subsidiaries, restricted COVID infections amongst the workforce to less than 20%, whilst passenger volumes showed signs of reverting to pre-COVID levels with the easing of capacity restrictions on public transport modes towards the latter part of the reporting period.

The surge in crude oil prices prompted by geo-political turmoil and the precarious performance of the rand against the US dollar, precipitated a significant 34% increase in the price of diesel over the review period.

The Frontier Group concluded two acquisitions during the reporting period. In May 2021, the Group acquired a majority joint venture stake (51%) in Alpine Truck and Bus, a KwaZulu-Natal based bus and truck retail entity. This business sells pre-owned buses and trucks and aftermarket spare parts for buses and trucks.

In March 2022, the businesses of eLori Proprietary Limited and eTreads Proprietary Limited were acquired via the Group's 100% held subsidiary, Frontier Tyres Proprietary Limited. Frontier Tyres is a new and retread tyre operation, which is well placed to facilitate cost efficient vertical integration with bus maintenance across the Group.

A notable feature of the Group's performance over the reporting period has been the incremental NPAT contribution of subsidiaries *vis-à-vis* Golden Arrow, which showed a noteworthy 6% increase from the previous financial year. The enhanced proportional contribution of the smaller subsidiaries is testimony of the sustainability of the Group's diversified portfolio and scalability of the newly acquired entities.

REVIEW OF GROUP RESULTS

During the financial year, the Group experienced a marked increase in passenger numbers as the effect of lockdown restrictions eased across the country. This resulted in an increase in revenue of 26.8% from FY 2021. Whilst the rising fuel price increased operating expenses, the Group was able to cushion this through a fares adjustment which resulted in EBITDA of R447.8 million, which is 16.2% higher than the FY 2021 of R385.3 million.

The Group put all major capital expenditure, including its fleet replacement programme on hold during FY 2021, resulting in a net reduction in debt of R140.1 million. Finance costs for FY 2022 were therefore R10.2 million lower than the previous financial year.

The Group is pleased to present an attributable Group profit of R261.2 million (27.5% higher than FY 2021 of R204.8 million and in line with pre-COVID FY 2020 of R261.0 million) and Headline earnings at R263.2 million (29.6% higher than FY 2021 of R203.0 million and 5.0% higher than FY 2020 of R250.5 million).

GOLDEN ARROW

With easing lockdown restrictions, the travel patterns of Golden Arrow's traditional passenger market showed a gradual return to pre-COVID levels towards the latter quarter of the review period.

Regrettably, the welcomed return of the passenger base was diluted by the exponential rise in the price of diesel which had the dual effect of luring private car owners to more affordable public transport options whilst also resulting in financially challenged passengers seeking cheaper mobility alternatives.

The 34% increase in the price of diesel linked to the sheer volume of diesel usage across the fleet of *circa* 1 100 buses, had a multiplier effect on overall operating costs and consequent margins. The latent leverage of diesel dependency has however given further impetus to a speedier transition to more affordable and sustainable sources of energy supplies to power the bus fleet.

Despite the debilitating effects of a rising fuel price, Golden Arrow posted a creditable 26% increase in revenue; 22% increase in EBITDA and 24% increase in NPAT.

The testing of two electrically powered buses in regular service yielded positive outcomes to the extent that negotiations to procure additional units and the retrofitting of existing and future depot facilities, received unanimous Board approval.

The spectre of recurring on-board robberies, which posed a significant threat to passenger safety and security during the previous financial period, was mitigated through the installation of cameras, panic buttons and drop safes. Management also initiated the formation of a dedicated internal unit tasked with monitoring incidents and executing high level strategies to effectively manage security of passengers and assets.

The harnessing of the full spectrum of the automatic fare collection system's utility has yielded substantial intelligence regarding ridership patterns, route patronage, dead kilometrage and other key operational metrics. This has enabled the Operations Unit to plan and optimally configure scheduled kilometres with travel demand and asset utilisation.

Golden Arrow continues to maximise the benefits derived from savings achieved from fuel efficiencies through accessing tax rebates in accordance with Section 12L of the Income Tax Act. For the 2021 assessment year, total energy savings claimed amounted to 5 741 681 kWh.

The development of human capital continued to receive paramount attention with the completion of an aggregate of 17 588 training man days through the presentation of a host of training courses in the operations, technical, safety and human resources disciplines. The Golden Arrow Training and Recruitment Centre also received formal recognition from the Western Cape Provincial Department of Economic Development and Tourism (DEDAT) as a service provider, and a memorandum of agreement was concluded which provides for the experiential training of 150 apprentices in trade disciplines allied to the transport sector.

With the scale of training provided and the accreditation of the Golden Arrow Training & Recruitment Centre by the Transport Education & Training Authority (TETA) and DEDAT, Golden Arrow delivered a substantial contribution (30%) in the Skills Development (SD) element of the consolidated HCI group's B-BBEE score.

Golden Arrow and its subsidiaries continue to challenge the application of across the board increases on actual wages in the wake of the premium rates they are compelled to pay employees performing equivalent job functions *vis-à-vis* competitors. The outstanding exemption applications are set to be adjudicated in the Labour Court and management remains optimistic that the grounds for exemption have significant merits.

As non-parties, the Main Collective Agreement (MCA) was extended to Golden Arrow and its subsidiaries in June 2021 and the intention for the forthcoming financial year is to return to the bargaining council as a new employer association, which will advance the pursuit of achieving harmony in the wage rates prescribed by the South African Road Passenger Bargaining Council (SARPBAC).

TBRT

The decision to acquire 100% shareholding in TBRT has been vindicated by the realisation of the full investment return that had been committed two years ago.

The dedicated focus on minimising contract infringements and breakdowns have been the foundation of the successes achieved during the reporting period.

While revenue for the reporting period increased by 8%, operating expenses increased by 11%, resulting in an EBITDA that is in line with the prior year.

SIBANYE

Sibanye operated a constant 47 peak bus service and passenger figures returned to pre-COVID passenger numbers over the latter portion of the reporting period. The operational focus of Sibanye has been on the introduction of more off-peak services and reconfigured routes along the Atlantic seaboard.

The stabilisation of passenger numbers resulted in an 18% increase in revenue from the prior reporting period, culminating in a 20% increase in net profit after tax for the reporting period.

ELJOSA

The slow recovery of the tourism sector in the wake of the COVID-19 pandemic continued to curtail the company's return to normality. The schools market showed gradual recovery during the last quarter of the reporting period, and a new depot facility has been leased in Gauteng, which should facilitate the uptake in this market segment.

Revenue grew by 152% from a low base in the prior year, however attributable EBITDA reflected a negative R1.68 million.

SHUTTLE-UP

Shuttle-Up, which is driven by airport arrivals, staff transport and functions started to increase its service offering during the latter part of the review period due to the steady return of overseas flights and the general lifting of COVID restrictions.



CORPORATE GOVERNANCE

BOARD OF DIRECTORS



Yunis Shaik
Non-executive chairperson
 B.Proc
Appointed: 1 February 2018
Nationality: South African
Age: 64
Board Committees:
 Social and Ethics

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



Kevin Govender
Non-executive director
 B.Comm (Hons), B.Compt (Hons)
Appointed: 1 February 2018
Nationality: South African
Age: 52
Board Committees:
 Remuneration

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



Rob Nicolella
Non-executive director
 CA (SA)
Appointed: 3 May 2022
Nationality: South African
Age: 53
Board Committees:
 None

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



Francois Meyer
Chief executive officer
 Dip Trans, B.Comm, MBA
Appointed: 6 March 2018
Nationality: South African
Age: 60
Board Committees:
 Social and Ethics

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



Mark Wilkin
Chief financial officer
 B.Comm, CA(SA)
Appointed: 6 March 2018
Nationality: South African
Age: 68
Board Committees:
 None

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



Loganathan Govender ("Logie")
Lead independent non-executive director
 B.Comm, CA(SA)
Appointed: 6 March 2018
Nationality: South African
Age: 74
Board Committees:
 Remuneration, Audit and Risk

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



Naziema Jappie
Independent non-executive director
 PhD (Education), M.SocSc, B.SocSc (Hons), PGDip (HE)
Appointed: 6 March 2018
Nationality: South African
Age: 62
Board Committees: Remuneration, Social and Ethics, Audit and Risk

Expertise and experience: Naziema brings with her a varied background in fields including education, labour law, conflict resolution, project management and executive coaching. Dr Jappie was appointed as Honorary Consul for the Maldives in 2017. She has served as SACTWU's National Education Officer, Executive Director at the Durban University of Technology and Dean of Students at the University of the Witwatersrand. She is currently employed as Director for the Centre for Educational Assessments and Deputy Dean (CHED) at University of Cape Town. Naziema is an independent non-executive director of Deneb Investments Limited. She has also served on the board of Golden Arrow Bus Services Proprietary Limited since 2013.



Rachel Watson
Independent non-executive director
Appointed: 17 April 2019
Nationality: South African
Age: 63
Board Committees:
 Audit and Risk, Social and Ethics

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

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

APPROACH TO CORPORATE GOVERNANCE

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

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

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

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

THE BOARD

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

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

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

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

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

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

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

CHAIRPERSON AND CEO

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

The division of responsibilities of the Chairperson and CEO has been documented and approved by the Board to ensure a balance of power. There is a clear

division between the role of the Chairperson and the CEO who is fully responsible and accountable for the operations of the Company, and whose role and function is formalised.

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

BOARD COMPOSITION AND GENDER AND RACE DIVERSITY

The Board of directors comprises six non-executive directors, three of which are independent, and two executive directors. The Company's ultimate controlling shareholder is HCI and is represented on the Board by Mr Y Shaik, Mr K Govender and Mr R Nicoletta, executive directors of HCI.

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

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

MEETINGS OF THE BOARD

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

	May 2021	August 2021	November 2021	March 2022
Y Shaik	✓	✓	✓	✓
TG Govender	✓	✓	✓	✓
L Govender	✓	✓	✓	✓
NB Jappie	x	✓	✓	✓
RD Watson	✓	✓	✓	✓
FE Meyer	✓	✓	✓	✓
ML Wilkin	✓	✓	✓	✓

✓ Attendance

x Apologies

Mr R Nicolella was appointed to the Board on 3 May 2022 and as such is not included in the period under review.

CONFLICTS OF INTEREST

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

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

DEALING IN THE COMPANY'S SECURITIES

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

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

WHISTLE-BLOWER HOTLINE

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

COMPANY SECRETARY

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

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

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

The company secretary attends all Board and Committee meetings.

The certificate that the company secretary is required to issue in terms of section 88(2)(e) of the Companies Act of South Africa, is included on page 39 of this Annual Report.

COMMITTEES OF THE BOARD

The Board of directors has delegated certain specific responsibilities to the following Committees:

- Audit and Risk Committee
- Remuneration Committee
- Social and Ethics Committee

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

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

Notwithstanding the delegation of functions to the sub-committees, the Board remains ultimately responsible for the proper fulfilment of such functions, except in the case of the Audit and Risk Committee functions relating to the appointment, fees, and terms of engagement of the external auditor.

REPORT OF THE AUDIT AND RISK COMMITTEE

This report is provided by the Audit and Risk Committee (“the Committee”) appointed in respect of Frontier Transport Holdings Limited and its subsidiaries (“the Group”) for the year ended 31 March 2022.

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

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

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

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

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

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

Committee member	Number of meetings attended by member
L Govender	4
NB Jappie	3
RD Watson	4

FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

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

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

- satisfied itself that the external auditor is independent of the Group, as set out in section 94(8) of the Companies Act, and suitable for reappointment considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listing Requirements;
- assessed and nominated for re-election at the next annual general meeting, BDO South Africa Incorporated, as the external audit firm, and the appointment of Ms 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 2022 financial year;
- considered the nature and extent of non-audit services provided by the external auditor for the financial year ended 31 March 2022 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 annual financial statements and confirmed no reportable irregularities were identified or reported by the external auditor;
- reviewed the accounting policies and consolidated annual financial statements for the year ended 31 March 2022 and based on the information provided to the Committee, considers the Group complies, in all material aspects, with the requirements of International Financial Reporting Standards, the Financial Reporting Pronouncements (as issued by the Financial Reporting Standards Council), in the manner required by the Companies Act, and the JSE Listing Requirements;
- satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listing Requirements that the chief financial officer, as well as the finance function, has the appropriate expertise and experience; and
- reviewed and ensured that the interim condensed consolidated financial statements of the Group, in respect of the first six-month period of the financial year, complied with all statutory and regulatory requirements.

INTERNAL AUDIT

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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.

RECOMMENDATION OF THE ANNUAL FINANCIAL STATEMENTS

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

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

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

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

RECOMMENDATION OF THE INTEGRATED ANNUAL REPORT

The Committee has evaluated the 2022 Integrated Annual Report and based on the information provided, has recommended it for approval to the Board.



L Govender
Chairperson

Audit and Risk Committee





REPORT OF THE REMUNERATION COMMITTEE

The Group's Remuneration Committee has the following members:

- TG Govender (Chairperson);
- L Govender; and
- NB Jappie

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

The Remuneration Committee held two formal meetings during the financial year ended 31 March 2022, which were attended by Committee members as follows:

Committee member	No. of meetings attended by member
TG Govender	2
L Govender	2
NB Jappie	1

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

Function and role of the Remuneration Committee

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

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

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

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

REMUNERATION POLICY

Executive directors' remuneration

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

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

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

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

Non-executive directors' remuneration

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

The proposed fee structure, subject to shareholder approval, effective from 1 September 2022 to the 2023 annual general meeting of shareholders is set out in the table below:

Type of fee	Current Fee (excl VAT)	New Proposed Fee (excl VAT)
Board members – annual fee	R 123 900	R 131 300
Board committee members – annual fee*	R 51 210	R 54 280

* Where a non-executive director is a member of more than one Board Committee of the Company, the annual Board committee fee is limited to R54 280.

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

The Group pays all reasonable travelling and accommodation expenses incurred to attend Board and Committee meetings.

Group employee option scheme

The Group operates a share option scheme, known as The Frontier Group Employee Option Scheme (“the Scheme”), in terms of which shares in the Company are offered on a share option basis to participants, provided they remain in the Group's employ until the options vest. Any gain realised on the exercise of these options is settled on a net equity basis, whereby the participant receives that number of shares that equates in value to the gain made on exercise date. Options must be exercised within six months of the vesting date, where after the options lapse. Options vest over periods of three to five years. The maximum number of shares that may be utilised for the purposes of the Scheme is 21 750 000 shares.

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

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

IMPLEMENTATION OF THE REMUNERATION POLICY

The Remuneration Committee is satisfied that the Group complied with the Remuneration Policy for the 2022 financial year. The Board endorses the Remuneration Committee's position that the Group's Remuneration Policy appropriately takes into account the remuneration and employment conditions of employees in the Group as well as relevant external factors.

REMUNERATION

The executive directors' remuneration and incentive bonuses were approved by the Remuneration Committee and endorsed by the Board. Salary increases for the 2022 financial year were in line with inflation and average increases applied to non-unionised staff across the Group.

The following sets out the remuneration paid to directors for the years ended 31 March 2022 and 31 March 2021.

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

FE Meyer and ML Wilkin were remunerated by Golden Arrow Bus Services Proprietary Limited as executive directors for the years ended 31 March 2022 and 31 March 2021.

Y Shaik and TG Govender was remunerated by HCI as executive directors for the years ended 31 March 2022 and 31 March 2021.

L Govender was remunerated by E-Media Holdings Limited (subsidiary of HCI) as non-executive director for the years ended 31 March 2022 and 31 March 2021.

NB Jappie was remunerated by Deneb Investments Limited (subsidiary of HCI) as non-executive director for the years ended 31 March 2022 and 31 March 2021.

RD Watson was remunerated by HCI and E-Media Holdings Limited as non-executive director for the years ended 31 March 2022 and 31 March 2021.

Year ended 31 March 2021	Frontier Group directors' fees R'000	Directors' fees R'000	Salary R'000	Fringe benefits including medical aid R'000	Pension contributions R'000	Bonus R'000	Gain from share schemes R'000	Total R'000
Executive directors								
FE Meyer	-	-	3 160	774	295	5 056	-	9 285
ML Wilkin	-	-	2 476	503	231	4 181	-	7 391
	-	-	5 636	1 277	526	9 237	-	16 676
Non-executive directors								
Y Shaik	-	-	3 976	-	-	-	2 619	6 595
TG Govender	-	-	2 003	-	-	-	2 629	4 632
L Govender	190	190	-	-	-	-	-	380
NB Jappie	165	198	-	-	-	-	-	363
RD Watson	165	1 044	-	-	-	-	-	1 209
Paid by HCI subsidiaries not in the Frontier Group	-	(1 432)	(5 979)	-	-	-	(5 248)	(12 659)
Total paid by Frontier Group	520	-	5 636	1 277	526	9 237	-	17 196

GROUP EMPLOYEE OPTION SCHEME

The following share options have been awarded to executive directors:

	2022		2021	
	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
FE Meyer				
Balance at the beginning of the year	1 072 717	3.06	2 499 951	6.30
Options granted	-	-	589 111	2.72
Options forfeited	-	-	(2 016 345)	6.98
Balance at the end of the year	1 072 717	3.06	1 072 717	3.06
Unconditional between the following dates:				
Between 22 March 2022 and 22 September 2022	70 300	3.70	70 300	3.70
Between 16 March 2023 and 16 September 2023	90 902	3.28	90 902	3.28
Between 22 March 2023 and 22 September 2023	70 300	3.70	70 300	3.70
Between 16 March 2024 and 16 September 2024	90 902	3.28	90 902	3.28
Between 22 March 2024 and 22 September 2024	70 300	3.70	70 300	3.70
Between 31 March 2024 and 30 September 2024	196 370	2.72	196 370	2.72
Between 16 March 2025 and 16 September 2025	90 902	3.28	90 902	3.28
Between 31 March 2025 and 30 September 2025	196 370	2.72	196 370	2.72
Between 31 March 2026 and 30 September 2026	196 371	2.72	196 371	2.72
	1 072 717	3.06	1 072 717	3.06

Subsequent to year end 70 300 options became unconditional and were exercised by FE Meyer, who received 41 983 shares in the Company in terms of the settlement of these options.

IMPLEMENTATION OF THE REMUNERATION POLICY (continued)**GROUP EMPLOYEE OPTION SCHEME (continued)**

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

	2022		2021	
	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
ML Wilkin				
Balance at the beginning of the year	672 285	3.06	1 566 607	6.30
Options granted	-	-	369 162	2.72
Options forfeited	-	-	(1 263 484)	6.98
Balance at the end of the year	672 285	3.06	672 285	3.06
Unconditional between the following dates:				
Between 22 March 2022 and 22 September 2022	44 080	3.70	44 080	3.70
Between 16 March 2023 and 16 September 2023	56 961	3.28	56 961	3.28
Between 22 March 2023 and 22 September 2023	44 080	3.70	44 080	3.70
Between 16 March 2024 and 16 September 2024	56 961	3.28	56 961	3.28
Between 22 March 2024 and 22 September 2024	44 080	3.70	44 080	3.70
Between 31 March 2024 and 30 September 2024	123 054	2.72	123 054	2.72
Between 16 March 2025 and 16 September 2025	56 961	3.28	56 961	3.28
Between 31 March 2025 and 30 September 2025	123 054	2.72	123 054	2.72
Between 31 March 2026 and 30 September 2026	123 054	2.72	123 054	2.72
	672 285	3.06	672 285	3.06

Subsequent to year end 44 080 options became unconditional and were exercised by ML Wilkin, who received 26 324 shares in the Company in terms of the settlement of these options.

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



TG Govender
Chairperson

Remuneration Committee



REPORT OF THE SOCIAL AND ETHICS COMMITTEE

The Group's Social and Ethics Committee comprises the following members:

- NB Jappie (Chairperson)
- FE Meyer
- Y Shaik
- RD Watson

The Social and Ethics Committee assists the Board in monitoring the Group's performance as a good responsible corporate citizen. The Committee comprises executive and non-executive directors with the majority being non-executive directors and the Chairperson being an independent non-executive director.

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

In discharging its duties, the Social and Ethics Committee gives regard to:

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

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

The Committee held two formal meetings during the financial year ended 31 March 2022, which were attended by Committee members as follows:

Committee member	No. of meetings attended by member
NB Jappie	1
RD Watson	2
Y Shaik	2
FE Meyer	2

Please refer to the Corporate Responsibility section of this Report on pages 32 to 37 which details the various aspects overseen by the Social and Ethics Committee and encompasses the Report of the Social and Ethics Committee.



NB Jappie
Chairperson

Social and Ethics Committee



CORPORATE RESPONSIBILITY

INTRODUCTION

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

ENVIRONMENT

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

Group policy includes:

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

ENVIRONMENTAL SUSTAINABILITY

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

METHODOLOGY

Catalyst Solutions calculated the carbon and water footprints for Golden Arrow for the 2022 financial year.

The carbon footprint was calculated according to the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol, a widely used corporate GHG accounting and reporting standard. As was done in the prior year, this year's conversion factors were sourced from the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines and the South African Department of Environmental Affairs' Technical Guidelines for Monitoring, Reporting and Verification of GHG Emissions by Industry. These conversion factors do not change on an annual basis, making the carbon footprinting process easier. Some emission factors, such as those for business travel captured under scope 3 emissions, were still sourced from the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA).

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

EMISSIONS SUMMARY

Golden Arrow, TBRT and Sibanye

Golden Arrow's scope 1 and 2 emissions in the FY 2022 were 80 784 tCO₂e. This represents an increase of 33% relative to the scope 1 and 2 emissions for the previous reporting period which were 60 744 tCO₂e.

The biggest contributor to Golden Arrow's scope 1 and 2 emissions was diesel consumed in Golden Arrow's buses. Emissions from diesel consumed in Golden Arrow's buses constituted 97% of its scope 1 and 2 emissions.

The increase of 33% in Golden Arrow's scope 1 and 2 emissions was primarily as a result of the business recovering from COVID-19 and the associated restrictions that took place in the prior financial year.

Scope 2 emissions totalled 1 739 tCO₂e in the reporting year. This is a 26% decrease relative to the previous reporting period.

The biggest contributors to Golden Arrow's scope 2 emissions were Arrowgate (52%), Epping (19%), Philippi (20%) and Southgate (6%) depots.

Scope 2 emissions are calculated on electricity purchased and not electricity consumed. A number of the depots also generate their own electricity from solar. This is not included in the scope 2 emissions as solar power does not result in GHG emissions. In addition, some of the depots export electricity to the national grid.

The decrease in scope 2 emissions is mainly due to decrease in electricity consumption at Arrowgate and an increase in electricity generated from solar power.

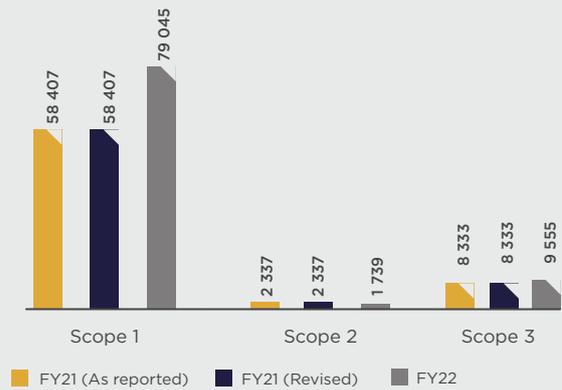
Scope 3 emissions from Golden Arrow are attributable to emissions from diesel consumed in MyCiTi buses, business travel and emissions from electricity consumed in various properties that are not owned by Golden Arrow.

Scope 3 emissions totalled 9 555 tCO₂e in the reporting year. This is a 15% decrease relative to emissions in the previous reporting period which totalled 8 333 tCO₂e.

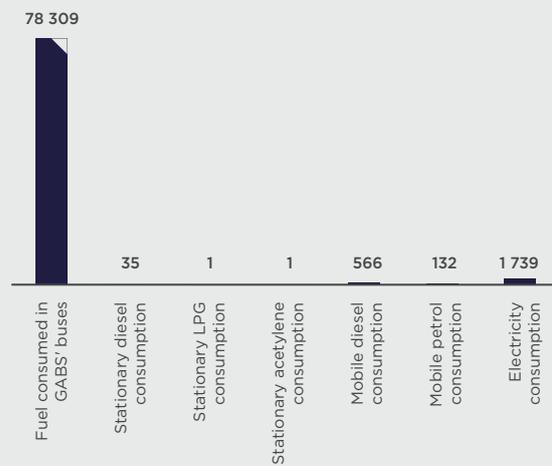
Diesel consumed in MyCiTi buses is the largest contributor to scope 3 emissions by far.

The significant increase in scope 3 emissions results from an increase in the diesel consumed in MyCiTi buses. The increase was as a result of increased distance travelled due to the business recovering from COVID-19 and the associated restrictions that were present in the previous reporting period.

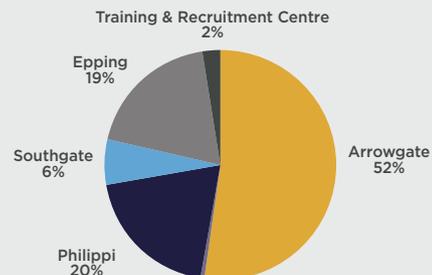
Golden Arrow, TBRT and Sibanye (GHG emissions tCO₂e)

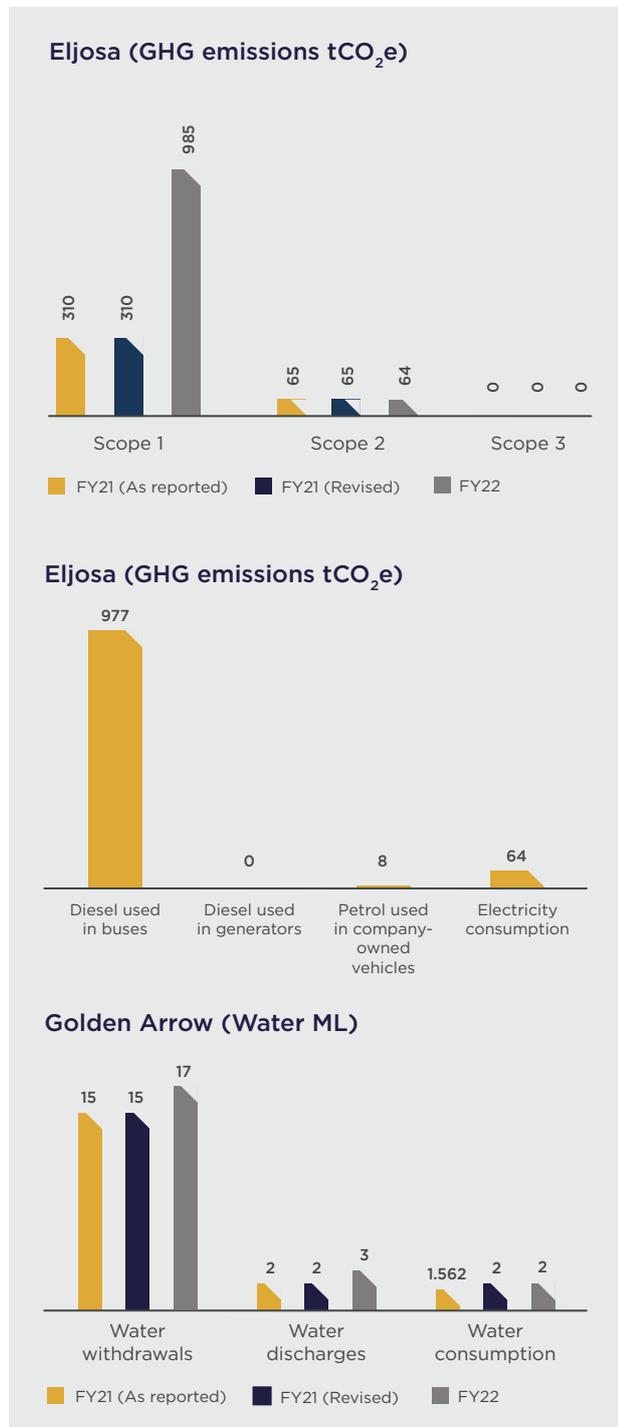


Golden Arrow, TBRT and Sibanye (GHG emissions tCO₂e)



Golden Arrow (contributors to emissions)





ElJoSa

ElJoSa's scope 1 and 2 emissions in the current reporting period were 1 049 tCO₂e. This represents an increase of 180% relative to the previous reporting period which were 375 tCO₂e.

The biggest contributor to ElJoSa's scope 1 and 2 emissions was diesel consumed in buses and constituted 93% of these emissions. The 180% increase in these emissions from the prior year was primarily as a result of increased diesel consumption due to increased distance travelled by the buses as the business recovered from COVID-19 and the associated restrictions.

WATER USAGE

Golden Arrow, TBRT and Sibanye

Golden Arrow's water withdrawals in the current reporting period were 17 ML. This represents a 15% increase relative to the water withdrawals in the previous reporting period.

Philippi is the depot with the largest water user (51%), followed by Epping (27%). Arrowgate was responsible for 17% of Golden Arrow's water withdrawals.

The increase in water withdrawals is mainly due to increases in water withdrawals for Epping and Philippi.

CORPORATE SOCIAL INVESTMENT

PROJECTS AND PROGRAMMES

Community Transport Programme

The Community Transport Programme is an extension of the Golden Arrow Foundation Grassroots Programme, which through the HCI Foundation has extended its reach from seven beneficiaries in 2005 to 28 beneficiaries in 2022.

The Programme benefits more than 110 000 children on an annual basis.

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

VUSA Rugby and Learning Academy

The VUSA Rugby and Learning Academy began in 2001 as a part-time rugby programme for children in the Langa community. Over time the initial scope of the Academy broadened as greater needs were identified. Deficiencies in early childhood such as poor mental and physical health, addiction, homelessness, crime, and family breakdowns were identified as specific areas of concern.

The VUSA programme's primary goal is to provide a hub of excellence in Langa to ensure that these challenges are addressed early in the child's life; creating opportunities and a safe space for children to learn, play, and grow.

The Community Transport Programme provides support to the Academy's sport and recreational programmes. VUSA provides a structured after-school programme offering sport and academic support to primary school children from all the schools in Langa and surrounding areas. Rugby is the primary focus sport and teams are entered into the WP Schools Rugby League where they play against some of Cape Town's best schools.

Through this incredible Community Transport Programme, children are safely transported from Langa to their matches around Cape Town. According to VUSA Trust Manager Nikki Matthews the impact of the Community Transport Programme extends far beyond just providing transport. "These trips expose

the children to a world outside of their four corners and introduces them to new people and places; giving them an opportunity to interact with children of different races and cultures, learn new skills, and showcase their own special talents," she says.

In the last year, the Community Transport Programme has provided transport for a hike up Constantia Nek (90% of participants had no prior understanding of hiking and mountain climbing), an outing to the Two Ocean's Aquarium as well as a recreational day at Bishops Diocesan College. Due to COVID, much of the rugby season was lost but through the Transport Programme, players were able to attend fixtures at Western Province Preparatory School, Wynberg Boys Junior School, Hamilton's Rugby Club, and Bishops Diocesan College.

"We are so grateful to the Community Transport Programme, for awakening our children to new opportunities by transporting them to new experiences. I have attended quite a lot of the outings and matches and watched the Golden Arrow drivers go beyond the call of duty, helping our coaches escort children across roads and ensuring their safety. The Golden Arrow drivers are just incredible with the kids," says Matthews.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Frontier achieved a Level 2 B-BBEE rating.

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

A copy of the full B-BBEE certificate can be viewed on the Company's website www.frontiertransport.co.za.

OUR PEOPLE

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

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

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

TRAINING AND DEVELOPMENT ACHIEVEMENTS

- 256 candidates trained via Bus Driver Training Programme.
- Bursaries awarded to employees to the value of about R537 000 for the 2022 academic year.
- Apprentices:
 - Three apprentices passed their trade assessments and qualified in their respective trades.
 - 20 two star artisans – artisans who are specialised in two trades.
 - 36 registered apprentices at the end of the financial period.
 - 21 DEDAT apprentices started in April 2022.
- 6 bus driver DEDAT funded learners started in May 2022.

- The following is a list of active Discretionary Grant contracts award by the Transport Education Training Authority (TETA):

Golden Arrow

- Seven employed learners completed the Bus Driver Skills Programme pending TETA certification.
- Eight funded diesel mechanic apprentices and TETA contracts end in August 2022.
- Five bursaries awarded to staff to study Road Transport Management Diploma, currently in their final year.
- Eight registered Internships ending in November 2022.

TBRT

- Six employed staff completed their National Certificate in Professional Driving awaiting TETA certification.
- TETA contract awarded to upskill 40 unemployed candidates on the Bus Driver Skills Programme.

Sibanye

- National certificate in professional driving for 15 unemployed learners currently in training.
- Bus Driver Skills Program for nine unemployed candidates completed awaiting TETA certification.
- National Certificate in Professional Driving, 15 learners completed training awaiting TETA certification.

The above training contributed to 17 587 person training days, which constitutes a significant contribution to Frontier's goal of developing its people and creating employment opportunities, which help to alleviate the country's unemployment crisis.

OCCUPATIONAL HEALTH AND SAFETY

The Group complies with the Occupational Health and Safety Act (OHS Act), as well as the National Environmental Management Act (NEMA). In March 2020 Golden Arrow formed a COVID-19 Task Team which comprises management, the nursing sister, the social worker and union representatives. The Task Team continues to ensure that the response to COVID-19 has been holistic and effective.

COVID-19 RESPONSE

Golden Arrow, Sibanye and TBRT played a vital role in providing a safe public transport option to passengers travelling to work or schools during the pandemic.

The Group's COVID-19 response was guided by regulations and remained in place throughout the pandemic. This included the application of specialised 24-hour germ and virus-killing surface cleaner to buses and surfaces, compulsory use of masks, a close working

relationship with the Departments of Transport, Health and Labour and the provision of appropriate PPE to frontline and other employees.

INCIDENCE OF DISCRIMINATION

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

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

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



SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

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

The summarised consolidated annual financial statements, set out on pages 44 to 55, and the consolidated annual financial statements for the year ended 31 March 2022, available on Frontier’s website, have been prepared, in accordance with International Financial Reporting Standards (“IFRS”) and the requirements of the South African Companies Act, 71 of 2008, as amended, on the going concern basis and incorporate full and responsible disclosure. The summarised information included in this report has been extracted from the audited consolidated annual financial statements.

The consolidated annual financial statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The consolidated annual financial statements were prepared under the supervision of the chief financial officer, Mr ML Wilkin CA(SA).

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

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

The directors are of the opinion that the Group will continue as a going concern in the foreseeable future.

The consolidated annual financial statements were audited by the independent auditor, BDO South Africa

Incorporated, to whom unrestricted access was given to all financial records and related information. The report of the independent auditor is presented on page 43.

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

- (a) the consolidated annual financial statements set out on pages 44 to 55, fairly present in all material respects the financial position, financial performance and cash flows of the Company in terms of IFRS;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of the Company; and
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- (f) we are not aware of any fraud involving directors.

The consolidated annual financial statements for the year ended 31 March 2022 were approved by the Board of directors on 26 July 2022 and are signed on its behalf by:



FE Meyer
Chief executive officer



ML Wilkin
Chief financial officer

Cape Town
26 July 2022

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 2022, all such returns as required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

*HCI Managerial Services
Proprietary Limited*

HCI Managerial Services Proprietary Limited
Company Secretary

Cape Town
26 July 2022



DIRECTORS' REPORT

NATURE OF BUSINESS AND OPERATIONS

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

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

RESULTS

Refer to the Chairperson and CEO's Report on pages 11 to 13 for an overview of the performance of the Group for the period under review.

ORDINARY CASH DIVIDENDS

The Company declared and paid an interim ordinary dividend for the year ended 31 March 2022 of 20 cents

(gross) per share (2021: 18 cents (gross) per share). The Board declared a final ordinary dividend for the year ended 31 March 2022 of 32 cents (gross) per share on 26 May 2022 which was paid on 20 June 2022 (2021: 26 cents (gross) per share).

SHARE CAPITAL

There was no change in the authorised or issued share capital of the Company during the period under review. At 31 March 2022, the total shares in issue was 290 000 000.

MAJORITY SHAREHOLDER

The Company's ultimate holding company is Hosken Consolidated Investments Limited holding 82.22% of the issued share capital of the Company at 31 March 2022 (2021: 82.21%).

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
Dr NB Jappie		Independent non-executive
Ms RD Watson		Independent non-executive

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

In accordance with the Company's MOI and Section 10.16(g) of the JSE Listing Requirements, one-third of non-executive directors will retire at the forthcoming annual general meeting. In terms of which Mr Y Shaik and Mr L Govender, being the retiring directors, and being eligible, offer themselves for re-election.

DIRECTORS' REPORT (continued)**DIRECTORS EMOLUMENTS**

Details of directors' emoluments and share options awarded to executive directors are included in the Remuneration Policy and Implementation of the Remuneration Policy on pages 24 to 28.

SHAREHOLDINGS OF DIRECTORS

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

Director	Direct number of shares held	Direct % of shares in issue held	Indirect number of shares held	Indirect % of shares in issue held	Total number of shares held	Total % of shares in issue held
FE Meyer	116 813	0.04%	4 756	0.00%	121 569	0.04%
TG Govender	87 808	0.03%	821 676	0.28%	909 484	0.31%
	204 621	0.07%	826 432	0.28%	1 031 053	0.35%

In addition, to the holdings reflected above, subsequent to year end and to the date of the approval of this report the following directors acquired an additional interest in the shares of the Company, after exercising their unconditional share options:

Director	Additional direct number of shares acquired	Additional % of shares in issue acquired
FE Meyer	41 983	0.01%
ML Wilkin	26 324	0.01%

There were no further changes in the directors' interest from 31 March 2022 to the date of the approval of this report.

COMPANY SECRETARY

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

INVESTMENTS

Investments of the Group as at 31 March 2022 are as follows:

Company	Nature of business	Holding
HPL and R Investments Proprietary Limited	Investment Holding	100%
Golden Arrow Bus Services Proprietary Limited	Transport services	100%
Table Bay Area Rapid Transit Proprietary Limited	Transport services	100%
Sibanye Bus Services Proprietary Limited	Transport services	100%
Frontier Tyres Proprietary Limited	Tyre sales and retreads	100%
Shuttle Up Proprietary Limited	Transport services	90%
Eljosa Travel & Tours Proprietary Limited	Transport services	76%
Alpine Truck and Bus Proprietary Limited	Bus, truck and spare part sales	51%
N2 Express Joint Venture Proprietary Limited	Transport services	33.33%

DIRECTORS' REPORT (continued)

GOING CONCERN

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

In preparing the cash flow forecasts utilised to assess going concern, the impact of the COVID-19 pandemic on the Group's operations and liquidity together with measures taken by subsidiaries to mitigate the financial and operational impact of COVID-19 were considered. 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 Mr Stephan Cillié as designated auditor for the year ended 31 March 2022.

NO MATERIAL CHANGE

There has been no material change in the financial or trading position of the Group since the publication of its provisional results for the year ended 31 March 2022.

SPECIAL RESOLUTIONS

The following special resolutions were passed by the Company's shareholders at the annual general meeting held on 30 August 2021:

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

- Approval of the fees payable to non-executive directors for their services as directors or as members of the Board sub-committees in respect of the financial period 1 September 2021 until the next annual general meeting of the Company;
- Granting the Company and the subsidiaries of the Company a general authority contemplated in terms of the JSE Listings Requirement paragraph 5.72, for the acquisition by the Company, or a subsidiary of the Company, of ordinary issued shares issued by the Company;
- Approval to change the Company's name from "Hosken Passenger Logistics and Rail Limited" to "Frontier Transport Holdings Limited"; and
- Authorised the amendment to the Company's Memorandum of Incorporation to give effect to the change of name of the Company from Hosken Passenger Logistics and Rail Limited to Frontier Transport Holdings Limited.

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 20 June 2022, the Company issued 405 997 ordinary no par value shares to participants who exercised their options under the Group employee option scheme.

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

PREPARER

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

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Frontier Transport Holdings Limited

OPINION

The summarised consolidated financial statements of Frontier Transport Holdings Limited, which comprise the summarised consolidated statement of financial position as at 31 March 2022, the summarised consolidated statement of profit or loss, the summarised consolidated statement of other comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Frontier Transport Holdings Limited for the year ended 31 March 2022.

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

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

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

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 26 July 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

Stephan Cillié
Director
Registered Auditor

26 July 2022

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	2022 R'000	2021 R'000
ASSETS			
Non-current assets		1 626 129	1 713 767
Property, plant and equipment	1	1 588 298	1 660 242
Right-of-use asset	2	5 671	25 295
Goodwill		23 940	27 298
Intangible assets		59	59
Investment in associate		1 743	378
Loan to associate		5 882	-
Deferred taxation		536	495
Current assets		699 181	588 632
Inventories		36 015	18 890
Trade and other receivables		75 977	64 861
Taxation		8 949	7 100
Cash and cash equivalents		578 240	497 781
Total assets		2 325 310	2 302 399
EQUITY AND LIABILITIES			
Equity		1 413 853	1 284 243
Equity attributable to equity holders of the parent		1 426 504	1 292 472
Non-controlling interest		(12 651)	(8 229)
Non-current liabilities		491 967	597 413
Borrowings		2 619	9 351
Instalment sale obligations		121 640	199 988
Lease liability	2	1 857	22 738
Post-employment medical benefit liability		66 550	68 939
Deferred taxation		299 301	296 397
Current liabilities		419 490	420 743
Trade and other payables		222 142	169 307
Post-employment medical benefit liability		5 066	5 233
Borrowings		8 145	19 498
Instalment sale obligations		92 219	135 858
Taxation		38	1 375
Provisions		91 880	89 472
Total equity and liabilities		2 325 310	2 302 399

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2022

	Notes	2022 R'000	2021 R'000
Revenue	3	2 080 002	1 641 025
Other income		11 989	16 070
Operating expenses		(1 644 193)	(1 271 759)
EBITDA		447 798	385 336
Depreciation and amortisation		(92 028)	(92 189)
Investment income		15 975	13 413
Profit/(loss) from equity accounted investment		1 364	(479)
Finance costs		(19 880)	(30 108)
Profit before taxation		353 229	275 973
Taxation		(96 452)	(77 240)
Profit for the year		256 777	198 733
Profit attributable to:			
Equity holders of the parent		261 199	204 799
Non-controlling interest		(4 422)	(6 066)
		256 777	198 733
Earning per share (cents)			
Basic		90.07	70.62
Diluted		89.52	70.62

SUMMARISED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	2022 R'000	2021 R'000
Profit for the year	256 777	198 733
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains/(losses) on defined benefit plans	5 473	(10 704)
Taxation relating to actuarial gains/(losses) on defined benefit plans	(1 478)	2 997
Total comprehensive income for the year	260 772	191 026
Total comprehensive income attributable to:		
Equity holders of the parent	265 194	197 092
Non-controlling interest	(4 422)	(6 066)
	260 772	191 026

RECONCILIATION OF HEADLINE EARNINGS

For the year ended 31 March 2022

Reconciliation of headline earnings	2022		2021	
	R'000 Gross	R'000 Net	R'000 Gross	R'000 Net
Earnings attributable to equity holders of the parent		261 199		204 799
Profit on disposal of plant and equipment	(5 495)	(3 956)	(4 077)	(2 935)
Impairment of plant and equipment	5 006	3 604	10 262	7 389
Impairment of goodwill	4 247	4 247	-	-
Insurance claim for capital assets	(2 683)	(1 932)	(8 656)	(6 232)
Headline earnings		263 162		203 021
Earnings per share (cents)				
Basic		90.07		70.62
Diluted		89.52		70.62
Headline earnings per share (cents)				
Basic		90.75		70.01
Diluted		90.19		70.01
Weighted average number of shares in issue ('000)				
Basic		290 000		290 000
Diluted		291 775		290 000
Actual number of shares in issue ('000)		290 000		290 000

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	2022	2021
	R'000	R'000
Balance at the beginning of the year	1 284 243	1 226 588
Total comprehensive income	260 772	191 026
Equity settled share-based payments	2 238	8 729
Dividends	(133 400)	(142 100)
Balance at the end of the year	1 413 853	1 284 243

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Notes	2022 R'000	2021 R'000
Cash flows from operating activities		247 453	186 993
Cash generated from operations		483 010	400 946
Investment income		15 975	13 413
Finance cost		(19 880)	(30 108)
Taxation paid		(98 252)	(55 158)
Dividends paid		(133 400)	(142 100)
Cash flows from investing activities		(12 959)	2 262
Dividends received		-	2 500
Business combinations	5	(6 500)	-
Loan advanced to associate		(5 882)	-
Acquisition of property, plant and equipment	4	(12 402)	(6 953)
Proceeds from sale of plant and equipment		11 825	6 715
Cash flows from financing activities		(154 035)	(181 097)
Funding raised	4	-	5 000
Funding repaid	4	(152 836)	(186 010)
Principal paid on lease liabilities		(1 199)	(87)
Increase in cash and cash equivalents		80 459	8 158
Cash and cash equivalents			
At the beginning of the year		497 781	489 623
At the end of the year		578 240	497 781

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The accounting policies applied in the preparation of the consolidated annual financial statements from which the summarised consolidated annual financial statements were derived, are compliant in terms of IFRS and are consistent with those applied in the previous annual financial statements. Details of the standards adopted are provided in the Group’s consolidated annual financial statements. As required by the Listings Requirements of the JSE Limited, the Group reports headline earnings in accordance with Circular 1/2021 – Headline Earnings, as issued by the South African Institute of Chartered Accountants.

OPERATING SEGMENT

The directors have considered the implications of IFRS 8: Operating segments and are of the opinion that the operations of the Group materially constitute one operating segment, being the provision of passenger transport 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.

The operating segments attributable to the new businesses acquired in this financial year (refer to note 5 Business combinations) which constitute the sale of vehicles, aftermarket spare parts and tyres fall below the threshold as set out in IFRS 8 and as such are not separately disclosed.

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

1. Property, plant and equipment

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

	Carrying value at 31 March 2021 R'000	Additions R'000	Depreciation R'000	Disposals R'000	Business combinations R'000	Impairments R'000	Carrying value at 31 March 2022 R'000
Buses	1 256 254	12 704	(82 213)	(6 271)	-	(4 679)	1 175 795
Computer hardware, fare collection and radio equipment	54 530	658	(6 543)	(7)	300	(327)	48 611
Land and buildings and leasehold improvements	342 991	6 557	(50)	-	-	-	349 498
Motor vehicles	4 219	4 789	(1 900)	(52)	1 732	-	8 788
Plant and machinery	1 596	338	(931)	-	3 949	-	4 952
Furniture and fixtures	652	120	(252)	-	134	-	654
Total	1 660 242	25 166	(91 889)	(6 330)	6 115	(5 006)	1 588 298

The Group acquired five commuter buses totalling R12.7 million (2021: acquired ten commuter buses totalling R23.1 million and two luxury coaches totalling R5.4 million).

The impairment of buses with a net book value of R4.7 million (2021: R9.7 million) relates to the destruction of seven Golden Arrow buses (2021: 13 Golden Arrow buses), of which R2.5 million is receivable from insurance proceeds (2021: R8.7 million).

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

2. Leases

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

	2022 R'000	2021 R'000
Reconciliation of right-of-use assets		
Carrying value at the beginning of the year	25 295	25 360
Additions	2 681	-
Remeasurement of lease	(22 166)	-
Depreciation	(139)	(65)
Carrying value as at 31 March	5 671	25 295
Reconciliation of lease liabilities		
Carrying value at the beginning of the year	23 877	24 415
Finance costs	2 121	2 189
Lease payments	(3 320)	(2 276)
Additions	2 681	-
Remeasurement of lease	(22 166)	-
Rent concession	-	(451)
Carrying value as at 31 March	3 193	23 877
Of which:		
Current (included in Trade and other payables)	1 336	1 139
Non-current	1 857	22 738
	3 193	23 877

The prior year measurement of the lease liability included an option to purchase the property for a consideration of R22.5 million on the expiry of the lease term in May 2022. At year end, management has taken the decision not to exercise this option and as such the lease liability has been remeasured to exclude the value of this option.

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

3. Revenue

Group revenue for the year is made up as follows:

	2022 R'000	2021 R'000
Revenue from bus services		
<i>Revenue recognised over time</i>		
Operational contract carrying revenue risk	1 132 644	1 073 596
Operational contract with no revenue risk	140 787	130 399
Sale of multi-journey tickets	441 793	273 199
<i>Revenue recognised at a point in time</i>		
Sale of single journey tickets	293 603	149 277
Charter hire services	32 638	9 547
Total revenue from bus services	2 041 465	1 636 018
Revenue from goods sold		
<i>Revenue recognised at a point in time</i>		
Sale of vehicles	20 158	-
Sale of spares, tyres and retreads	8 073	-
	28 231	-
Revenue from automotive repair services		
<i>Revenue recognised at a point in time</i>		
Bus and vehicle repair and maintenance	1 199	174
Tyre repairs, retreading and related services	289	-
	1 488	174
Other revenue		
<i>Revenue recognised over time</i>	2 748	1 480
<i>Revenue recognised at a point in time</i>	6 070	3 353
	8 818	4 833
Total revenue	2 080 002	1 641 025

Revenue from goods sold relate to revenue generated from the businesses of Alpine Truck & Bus and Frontier Tyres which were acquired during this financial year (refer to note 5 Business combinations). This relates to the sale of used buses and trucks, the sale of aftermarket vehicle spare parts and tyres. Revenue from the sale of these goods is recognised at a point in time.

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

4. Borrowings arising from financing activities

Movements in the carrying value of borrowings are as follows:

	2022 R'000	2021 R'000
Carrying value at the beginning of the year	364 695	517 530
Cash-flows:		
Raising of new debt	-	5 000
Debt repayments	(152 836)	(186 010)
Non-cash:		
Raising of instalment sale obligations	12 764	28 175
	224 623	364 695

R12.8 million (2021: R28.2 million) of debt raised in the period relate to instalment sale agreements used to finance bus acquisitions, and therefore has not been included in the cash flow statement as a cash flow amount.

5. Business combinations

On 1 May 2021 the Group, via its subsidiary Alpine Truck and Bus Proprietary Limited, acquired the spare parts and second hand truck and bus dealership from Alpine Seat Proprietary Limited in exchange for 49% shares in Alpine Truck and Bus Proprietary Limited. On 1 March 2022, Frontier Tyres Proprietary Limited (100% held subsidiary of the Group) acquired the business of eLori Proprietary Limited and eTreads Proprietary Limited for a purchase consideration of R6.5 million.

The businesses acquired during the year contributed revenues of R50.6 million and net loss after tax of R0.2 million to the Group from dates of effective control to 31 March 2022. Had the acquisitions been effective on 1 April 2021 the contribution to revenue would have been R86.2 million and the contribution to net profit after tax would have been R1.2 million.

The fair value of net assets acquired is as follows:

	Alpine Truck and Bus R'000	Frontier Tyres R'000	Total R'000
Non-current assets	330	5 785	6 115
Current assets	591	76	667
Current liabilities	(921)	(250)	(1 171)
Net assets acquired	-	5 611	5 611
Goodwill on acquisition	-	889	889
Purchase consideration	-	6 500	6 500
Cash balances acquired	-	-	-
Net cash outflow on acquisition	-	6 500	6 500

Goodwill arose on the acquisition of Frontier Tyres and can be attributed to the benefits of expected revenue growth.

NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2022

6. Commitments

	2022 R'000	2021 R'000
Capital expenditure		
Property, plant and equipment authorised but not yet contracted	81 134	-
Property, plant and equipment authorised and contracted to be expended	103 820	4 600

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

Subsequent to year end, the Board approved the reinstatement of the fleet replacement programme to commence during FY2023 and has authorised the acquisition of 60 commuter buses at a total cost of R162.3 million. At the time of signing the annual financial statements 30 commuter buses had been contracted for.

7. Related party transactions

Related party transactions similar to those disclosed in the Group's 2021 annual financial statements took place for the year ended 31 March 2022 and are disclosed in the Group's annual financial statements for the year ended 31 March 2022.

8. Events after the reporting period

On 20 June 2022, the Company issued 405 997 ordinary no par value shares to participants who exercised their options under the Group employee option scheme.

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





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