

REVIEWED ABRIDGED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2021

Statement of Comprehensive Income For the six months ended 31 March 2021	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	31 March 2020 Reviewed ZWL	31 March 2021 Reviewed ZWL	31 March 2020 Reviewed ZWL
Revenue	1 341 520 494	1 002 159 222	1 234 211 579	206 936 335
Operating profit	348 672 831	417 498 348	325 031 871	85 407 859
Finance cost	(38 008 330)	(10 400 912)	(35 026 247)	(2 312 207)
Monetary (loss)/gain	(157 871 308)	28 438 702	-	-
Profit before income tax	152 793 193	435 536 137	290 005 624	83 095 652
Income tax expense	(86 076 144)	(100 696 012)	(105 801 658)	(28 617 096)
Profit for the year	66 717 049	334 840 125	184 203 966	54 478 556
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	66 717 049	334 840 125	184 203 966	54,478,556
Weighted average number of ordinary shares in issue	33 389 000	33 259 000	33 389 000	33 259 000
Basic earnings per share (cents)	199.82	1,006.77	551.69	163.80
Diluted earnings per share (cents)	196.29	1,000.74	541.95	123.34
Headline earnings per share (cents)	199.82	1,002.85	551.69	124.55

Statement of Financial Position As at 31 March 2021	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	30 Sept 2020 Audited ZWL	31 March 2021 Reviewed ZWL	30 Sept 2020 Audited ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	123 184 146	129 783 530	3 473 325	3 763 552
Deferred tax asset	-	-	3 417 169	4 307 067
Total non-current assets	123 184 146	129 783 530	6 890 494	8 070 619
Current assets				
Inventories	1 584 089 992	1 478 507 188	580 036 383	354 113 375
Trade and other receivables	186 146 805	145 278 765	186 020 817	114 954 976
Cash and cash equivalents	108 899 448	215 309 865	108 899 448	172 043 312
	1879 136 246	1 839 095 819	874 956 648	641 111 663
Total assets	2 002 320 391	1 968 879 348	881 847 142	649 182 282
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to owners of the parent				
Share capital	14 265	14 263	333	333
Share premium	24 081 865	16 459 379	7 911 822	1 291 321
Share option reserve	62 364 863	36 099 488	47 268 001	21 002 626
Retained earnings	1 625 413 891	1 558 696 841	556 845 873	372 670 801
Total equity	1 711 874 885	1 611 269 971	612 026 028	394 965 081
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	20 624 391	39 460 007	-	-
Current liabilities				
Trade and other payables	39 476 059	80 360 118	39 476 059	64 211 739
Provisions for other liabilities and charges	34 495 549	58 605 196	34 495 549	46 828 474
Current income tax liability	59 753 677	67 076 078	59 753 677	53 597 124
Borrowings	136 095 831	112 107 979	136 095 831	89 579 862
	269 821 115	318 149 370	269 821 115	254 217 201
Total liabilities	290 445 506	357 609 377	269 821 115	254 217 201
Total equity and liabilities	2002 320 392	1 968 879 348	881 847 142	649 182 282

Statement of Cash Flows As at 31 March 2021	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	31 March 2020 Reviewed ZWL	31 March 2021 Reviewed ZWL	31 March 2020 Reviewed ZWL
Profit before income tax	152 793 193	435 536 138	290 005 624	83 095 652
Adjustments for:				
Depreciation	8 421 307	6 891 299	290 226	268 866
Monetary loss/(gain) on assets	157 871 308	(28 438 702)	-	-
Profit on disposal of property, plant and equipment	-	(1 299 410)	-	(193 004)
Non-cash employee benefit-share based payment charge	33 787 197	23 898 953	32 796 000	6 712 500
Finance cost	38 008 330	10 400 912	35 026 247	2 312 257
Increase in allowance for impairment of trade receivables	5 384 189	-	6 212 321	-
Working capital changes:				
Increase in inventories	(105 582 804)	(319 704 025)	(225 923 008)	(76 153 351)
Increase in trade and other receivables	(40 868 041)	(14 789 754)	(77 278 163)	(22 413 991)
Decrease in trade and other payables	(40 884 059)	(41 512 440)	(24 735 681)	2 003 913
Decrease in provision for other liabilities and charges	(24 109 647)	(7 871 599)	(12 332 925)	2 740 912
Net cash generated from operations	184 820 974	63 111 372	24 060 641	(1 626 246)
Finance cost	(38 008 330)	(10 400 912)	(35 026 247)	(2 312 257)
Income tax paid	(113 335 843)	(28 746 244)	(98 721 098)	(6 807 091)
Net cash generated from operating activities	33 476 801	23 964 216	(109 686 704)	(10 745 594)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale of property, plant and equipment	-	1 299 410	-	193 004
Net cash generated from investing activities	-	1 299 410	-	193 004
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	23 987 852	52 505 584	46 515 969	20 697 004
Proceeds from issuance of shares	31 240	160 032	26 875	28 750
Net cash generated from financing activities	24 019 091	52 665 616	46 542 844	20 725 754
Increase/(decrease) in cash and cash equivalents	57 495 893	77 929 241	(63 143 861)	10 173 164
Cash and cash equivalents at the beginning of the year	215 309 865	137 976 107	172 043 312	14 528 404
Effects of IAS29 on cash and cash equivalents	(163 906 306)	(131 783 881)	-	-
Cash and cash equivalents at the end of the period	108 899 448	84 121 467	108 899 448	24 701 568

Statement of Changes in Equity - Inflation Adjusted As at 31 March 2021	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 October 2019	14 256	13 461 501	10 318 399	974 605 836	998 399 991
Total comprehensive income for the year	-	-	-	584 091 005	584 091 005
Profit for the year	-	-	-	584 091 005	584 091 005
Restatement of owners equity	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners in their capacity as owners:					
Issue of shares	-	173 059	-	-	173 059
Share options	8	2 824 819	25 781 089	-	28 605 915
Dividend declared	-	-	-	-	-
Balance at 30 September 2020	14 263	16 459 379	36 099 488	1 558 696 841	1 611 269 971
Balance at 1 October 2020	14 263	16 459 379	36 099 488	1 558 696 841	1 611 269 971
Total comprehensive income for the period	-	-	-	66 717 049	66 717 049
Profit for the period	-	-	-	66 717 049	66 717 049
Other comprehensive income for the period	-	-	-	-	-
Transaction with owners in their capacity as owners:					
Issue of shares	-	31 240	-	-	31 240
Share options	2	7 591 246	26 265 375	-	33 856 623
Balance at 31 March 2021	14 265	24 081 865	62 364 863	1 625 413 891	1 711 874 885

Statement of Changes in Equity - Historical As at 31 March 2021	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 October 2019	331	332 323	402 251	54 863 464	55 598 369
Total comprehensive income for the year	-	-	-	317 807 337	317 807 337
Profit for the year	-	-	-	317 807 337	317 807 337
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners in their capacity as owners:					
Issue of shares	-	34 375	-	-	34 375
Share options	2	924 623	20 600 375	-	21 525 000
Balance at 30 September 2020	333	1 291 321	21 002 626	372 670 801	394 965 081
Balance at 1 October 2020	333	1 291 321	21 002 626	372 670 801	394 965 081
Total comprehensive income for the period	-	-	-	184 175 072	184 175 072
Profit for the period	-	-	-	184 175 072	184 175 072
Other comprehensive income for the period	-	-	-	-	-
Transaction with owners in their capacity as owners:					
Issue of shares	-	26 875	-	-	26 875
Share options	-	6 593 626	26 265 375	-	32 859 001
Balance at 31 March 2021	333	7 911 822	47 268 001	556 845 873	612 026 029

Notes to the Financial Statements
For the six months ended 31 March 2021

1 General Information

CAFCA Limited (the "Company") manufactures and supplies cables for transmission and distribution of energy and information. It is a public limited liability company incorporated in Zimbabwe. The Company has its primary listing on the Zimbabwe Stock Exchange and secondary listing on the Johannesburg Stock Exchange.

2 Basis of preparation

The Company's annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) except for non compliance with International Accounting Standard ("IAS 21").The Effect of Changes in Foreign Exchange Rate explained in note 2.1 Hyperinflationary Economies . The financial statements are presented in Zimbabwean Dollars (ZWL) and all values are rounded to the nearest dollar, except where otherwise indicated.

2.1 Statement of Compliance

The 2020 comparative financial statements have an unquantifiable mis-statement arising from exchange rates used as there is conflict between requirements of SI 33 of 2019 and IAS 21

3 Going concern

The Company's management believes that despite Covid 19 the business will remain in operation for the foreseeable future. Management has assessed that the Company will continue operating as a going concern,citing the following:-

- The company has no exposure to foreign liabilities
- The company has stock cover of 4 months in finished goods
- The company has secured loans and overdraft facilities amounting to ZWL\$281million
- Company operations classified as an essential service
- Critical raw material suppliers are still shipping/supplying
- Demand for cable has remained firm with sales volumes averaging 220 tons per month

4 Hyperinflation

Accounting Standard ("IAS") 29 'Financial reporting in Hyperinflationary economies' in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial periods ended on or after 1 July 2019 to apply requirements of IAS 29 'Financial reporting in Hyperinflationary economies.'

Appropriate adjustments and reclassifications, including restatements for changes and general purchasing power of the Zimbabwe dollar and for the purposes of fair presentation in accordance with IAS 29 have been made in these financial statements to the historical cost financial information.

The sources of the price indices used were :
Zimbabwe Statistical Office

	Indices	Conversion factor
CPI as at 31 March 2021	2,759.83	1.000
CPI as at 30 September 2020	2,205.24	1.251
CPI as at March 2020	810.4	3.406

5 Audit opinion

The abridged financial statements have been reviewed by PricewaterhouseCoopers Chartered Accountants (Zimbabwe) and unqualified opinion has been issued. Without qualifying the opinion attention has been drawn to the uncertainties around the COVID-19 worldwide pandemic however Management is confident that the Company will be able to continue operating in the foreseeable future.

The review conclusion has been made available to Management and those charged with the governance of CAFCA Limited and the opinion is available for inspection at their registered office. The engagement partner responsible is Tinashe I Rwodzi (Public Practice Certificate Number 253568).

6 Related party transactions

	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL
Reunert Engineering (Proprietary) Limited owns 69.83% of the company and the remaining 30.17% is widely held.				
Purchases of goods				
CBI Electric African Cables - A Division of ATC (Proprietary) Limited	25 247 618	8 290 300	22 715 431	1 747 992
Metal Fabricators of Zambia Plc (Zamefa)	15 365 811	6 117 942	14 258 546	893 143
	40 613 430	14 408 241	36 973 977	2,641,135
Key management remuneration: Key management includes directors (executive and non-executive) and executive managers (members of the executive committee)				
Salaries and short term benefits	43 354 650	26 943 813	39 792 481	6 638 344
Share options charge	33 787 197	23 898 953	32 796 000	6 712 500
Directors' emoluments: -Fees	2 977 553	2 730 007	2 725 000	590 000
	80 119 400	53 572 772	75 313 481	13 940 844

7 Segment information

Company has one product line, and operates in one industry sector.
Revenue is primarily from customers who are domiciled in Zimbabwe and revenue from external customers pertains mainly to customers domiciled in Zambia, Malawi and Mozambique.

	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL
Revenue is analysed as follows:				
Revenue from customers domiciled in Zimbabwe	1 197 059 037	905 220 892	1 099 111 689	185 866 238
Revenue from external customers	144 461 457	96 938 334	135 099 890	21 070 580
	1 341 520 494	1 002 159 226	1 234 211 579	206 936 818

7 Segment information (continued)

Revenues from transactions with single local customers that amounted to 10% or more of the Company's revenues equals approximately (inflation adjusted) \$208 660 115 (2020: \$268 069 775), and (historical) \$190 939 460 (2020:56 229 081)

These revenues are attributable to customers domiciled in Zimbabwe. The breakdown of the major component of the total revenue from three major customers of at least 10% is as follows:

	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL
Retail	208 660 115	268 069 775	190 939 460	56 229 081

The total of non current assets located in Zimbabwe is (inflation adjusted)\$123 184 146 (2020:\$129 183 530),(historical) \$3 763 553(2019 \$4 119 488) and there are no non-urrent assets located in other countries.

The segment information provided to the executive team for the product reportable segments for the six months ended 31 March are as follows:

	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL
Retail	208 660 115	268 069 775	190 939 460	56 229 081

The total of non current assets located in Zimbabwe is (inflation adjusted)\$123 184 146 (2020:\$129 183 530), (historical) \$3 763 553(2019 \$4 119 488) and there are no non-urrent assets located in other countries.

The segment information provided to the executive team for the product reportable segments for the six months ended 31 March are as follows:

	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL
Revenue from customers	1 341 520 494	1 002 159 222	1 234 211 579	206 936 818
Profit before interest and taxation	348 672 831	435 536 138	325 031 871	85 407 859
Finance cost	38 008 330	10 400 912	35 026 247	2 312 207
Income tax expense	86 076 144	100 696 012	105 801 658	28 617 096
Total assets	2 002 320 392	1 576 029 822	881 847 142	649 182 282
Liabilities	290 445 506	218 733 165	269 821 115	254 217 201

8. Capital commitments

The company had no significant capital commitments authorised by the directors or contracted for at the reporting period (2020: ZWL nil).

9. Property plant and equipment

	Inflation Adjusted		Historical Cost	
	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL	31 March 2021 Reviewed ZWL	31 March 2020 Audited ZWL
Capital expenditure	-	-	-	-
Depreciation charge	8 421 307	6 891 299	290 226	268 866

Commentary and overview of results

Volumes

Volumes for the half year were 1175 tonnes, an increase over the prior year comparative period of 41%. Export volumes increased over the prior year comparative period by 52%. Sales are buoyant in the following sectors – mines, retail, construction and industry.

Profitability

Pretax profit in historical terms increased from \$83.096 million in the prior year to \$290.006 million in the current half year an increase of 249%. However, adjusting for the impact of inflation for the 6 months reduced the inflation adjusted pretax profits from \$435.536 million in the prior half year to \$152.793 million in the current half year. The anomaly between historical profits increasing whilst inflation adjusted profits decreased is explained by the fact that a significant amount of stock manufactured in prior years was sold in the current period which reduces the amount of uplift in the monetary gain/loss calculation.

Statement of Financial Position

Borrowings have increased from \$89.6 million to \$136.095 million to finance working capital. Historical cost stock in monetary terms has increased from \$345.113 million to \$580.036 million despite the fact that stock volumes went down from 865 tonnes to 727 tonnes.

Outlook

We do not expect the next quarter to be materially different to the current quarter

- Local sales in the buoyant sectors should continue.
- Export sales may be marginally affected by the volatile London Market Exchange copper price.

Borrowings will continue to increase to fund working capital firstly because the price of copper has gone up and secondly the inflation impact of replacing old stock with current replacement cost.

Dividend

The Directors have not proposed a dividend to shareholders in view of the need to finance working capital out of borrowings.

By order of Board
6 May 2021

C Kangara
Company Secretary



Independent Auditor's Review Report on the Condensed Interim Financial Statements

To the shareholders of CAFCA Limited

Introduction

We have reviewed the condensed interim financial statements of CAFCA Limited in the accompanying interim report, which comprise the condensed statement of financial position as at 31 March 2021 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE 2410"). ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Emphasis of matter - Events after the reporting date (COVID 19)

We draw attention to Notes of the condensed interim financial statements where management's evaluation of the ongoing effects of COVID-19 have been taken into account and they believe that the Company will still be in operation in the foreseeable future despite the uncertainties surrounding this worldwide pandemic. Our review conclusion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements do not present fairly, in all material respects, the condensed statement of financial position as at 31 March 2021 and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

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T I Rwodzi – Senior Partner

The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.



PricewaterhouseCoopers

Tinashe I Rwodzi
Registered Public Auditor
Public Accountants and Auditors Board, Public Auditor Registration Number 100
Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 253568
Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)

11 May 2021
Harare, Zimbabwe



