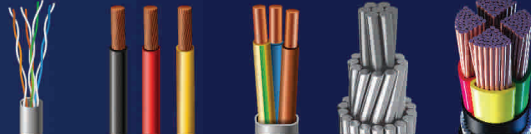




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Notice to Shareholders

AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Abridged Statement of Profit or Loss and other Comprehensive Income For the year ended 30 September 2022

	Inflation Adjusted		Historical Cost	
	30 Sept 2022 ZWL	30 Sept 2021 ZWL	30 Sept 2022 ZWL	30 Sept 2021 ZWL
Revenue	21 333 450 596	15 040 039 210	12 217 963 722	3 376 708 926
Operating profit	6 602 732 581	2 302 481 800	5 685 501 931	1 119 588 417
Finance income	162 628	110 899	49 844	28 272
Finance cost	(1 001 959 316)	(396 644 229)	(775 817 408)	(84 129 253)
Monetary loss	(1 750 205 004)	(1 302 092 814)	-	-
Profit before income tax	3 850 780 889	603 855 656	4 909 734 367	1 035 487 436
Income tax expense	(1 631 327 160)	(1 601 302 732)	(1 058 365 392)	(273 111 141)
Profit for the year	2 219 453 729	(997 447 076)	3 851 368 975	762 376 295
Other comprehensive income for the year	-	-	-	-
Total comprehensive income/(loss) for the year	2 219 453 729	(997 447 076)	3 851 368 975	762 376 295
Weighted average number of ordinary shares in issue	33 589 000	33 389 000	33 589 000	33 389 000
Basic earnings/(loss) per share (cents)	6 607.68	(2 987.35)	11 466.16	2 283.31
Diluted earnings/(loss) per share (cents)	6 529.92	(2 934.62)	11 331.22	2 243.01

Abridged Statement of Financial Position As at 30 September 2022

	Inflation Adjusted		Historical Cost	
	30 Sept 2022 ZWL	30 Sept 2021 ZWL	30 Sept 2022 ZWL	30 Sept 2021 ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	524 024 144	526 010 814	33 068 548	3 183 231
Deferred income tax asset	-	-	154 945 844	43 203 625
	524 024 144	526 010 814	188 014 392	46 386 856
Current assets				
Inventories	9 688 628 712	5 741 646 990	5 318 397 450	929 934 973
Trade and other receivables	2 140 650 008	1 446 435 069	2 076 167 491	378 780 377
Cash and cash equivalents	576 723 908	903 617 507	576 723 908	237 542 706
	12 406 002 628	8 091 699 566	7 971 288 849	1 546 258 056
Total assets	12 930 026 772	8 617 710 380	8 159 303 241	1 592 644 912
EQUITY AND LIABILITIES				
EQUITY				
Share capital and reserves				
Share capital	65 682	65 680	336	334
Share premium	176 502 308	127 824 955	32 248 821	7 848 820
Share option reserve	251 204 493	231 847 489	38 399 999	60 948 002
Retained earnings	7 629 569 948	6 182 663 219	4 213 840 163	1 135 018 188
Total equity	8 057 342 431	6 542 401 343	4 284 489 319	1 203 815 344
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	1 057 410 527	596 190 819	-	-
Current liabilities				
Trade and other payables	473 236 468	470 684 253	473 236 468	123 733 339
Provisions for other liabilities and charges	541 465 192	264 436 003	541 465 192	69 514 261
Current income tax liability	355 309 255	249 444 666	414 849 363	65 573 942
Borrowings	1 672 715 899	494 553 296	1 672 715 899	130 008 026
Dividend payable	772 547 000	-	772 547 000	-
	3 815 273 814	1 479 118 218	3 874 813 922	388 829 568
Total equity and liabilities	12 930 026 772	8 617 710 380	8 159 303 241	1 592 644 912

Abridged Statement of Cash Flows For the year ended 30 September 2022

	Inflation Adjusted		Historical Cost	
	30 Sept 2022 ZWL	30 Sept 2021 ZWL	30 Sept 2022 ZWL	30 Sept 2021 ZWL
Cash flows from operating activities				
Profit before income tax	3 850 780 889	603 855 656	4 909 734 367	1 035 487 436
Depreciation	75 943 718	71 834 788	2 151 651	580 323
Net loss on net monetary assets	1 750 205 004	1 302 092 814	-	-
Profit from disposal of property, plant and equipment	(8 046 256)	(8 983 044)	(7 644 902)	(2 164 258)
Non-cash employee benefit expense - share based	34 230 640	117 417 020	(8 148 000)	46 476 000
Finance income	(162 628)	(110 899)	(49 844)	(28 272)
Finance cost	1 001 959 316	396 644 229	775 817 408	84 129 253
Working capital changes:				
Increase in inventories	(3 952 572 792)	1 096 170 776	(4 388 462 477)	(575 821 598)
Increase in trade and other receivables	(708 397 108)	(777 210 926)	(1 697 387 114)	(271 947 319)
Increase in trade and other payables	2 552 215	100 506 754	349 503 129	59 521 600
Increase/(decrease) in provision for other liabilities and charges	277 029 189	(5 527 844)	471 950 332	22 686 384
Net cash generated from operations	2 323 522 187	2 896 689 324	407 464 990	398 919 549
Finance income	162 628	110 899	49 844	28 272
Finance cost	(1 001 959 316)	(396 644 229)	(775 817 408)	(84 129 253)
Income taxes paid	(1 175 299 664)	(1 289 458 643)	(820 832 031)	(300 059 790)
Net cash generated from (utilised in)/ operating activities	146 425 835	1 210 697 351	(1 189 134 605)	14 758 778
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(73 957 049)	-	(32 036 968)	-
Proceeds from sale of property, plant and equipment	8 046 256	8 983 044	7 644 902	2 164 258
Net cash (utilised in)/generated from investing activities	(65 910 793)	8 983 044	(24 392 066)	2 164 258
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	1 178 162 603	(21 870 212)	1 542 707 873	48 549 479
Proceeds from issuance of shares - share options	33 803 719	143 917	10 000 000	26 876
Net cash generated from/(utilised in) financing activities	1 211 966 322	(21 726 295)	1 552 707 873	48 576 355
Increase in cash and cash equivalents	1 292 481 364	1 197 954 100	339 181 202	65 499 391
Cash and cash equivalents at the beginning of the year	903 617 507	991 821 200	237 542 706	172 043 315
Effects of inflation on cash and cash equivalents	(1 619 374 963)	(1 286 157 793)	-	-
Cash and cash equivalents at the end of the year	576 723 908	903 617 507	576 723 908	237 542 706

Abridged Statement of Changes in Equity - Inflation Adjusted For the year ended 30 September 2022

	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 October 2020	65 669	75 819 846	166 291 672	7 180 110 295	7 422 287 482
Total comprehensive income for the year	-	-	-	(997 447 076)	(997 447 076)
Loss for the year	-	-	-	(997 447 076)	(997 447 076)
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Issue of shares	11	143 906	-	-	143 917
Share options	-	-	117 417 020	-	117 417 020
Shares options exercised	-	51 861 203	(51 861 203)	-	-
Balance at 30 September 2021	65 680	127 824 955	231 847 489	6 182 663 219	6 542 401 343
Balance at 1 October 2021	65 680	127 824 955	231 847 489	6 182 663 219	6 542 401 343
Total comprehensive income for the year	-	-	-	2 219 453 729	2 219 453 729
Profit for the year	-	-	-	2 219 453 729	2 219 453 729
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Issue of shares	2	33 803 717	-	-	33 803 719
Share options	-	-	34 230 640	-	34 230 640
Shares options exercised	-	14 873 636	(14 873 636)	-	-
Dividend declared	-	-	-	(772 547 000)	(772 547 000)
Balance at 30 September 2022	65 682	176 502 308	251 204 493	7 629 569 948	8 057 342 431

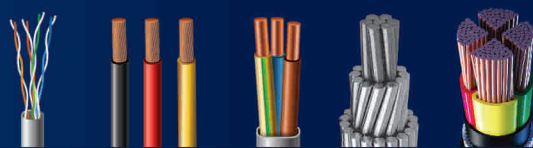
Abridged Statement of Changes in Equity - Historical Cost For the year ended 30 September 2022

	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 October 2020	333	1 291 321	21 002 626	372 641 893	394 936 173
Total comprehensive income for the year	-	-	-	762 376 295	762 376 295
Profit for the year	-	-	-	762 376 295	762 376 295
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Issue of shares	1	26 875	-	-	26 876
Share options exercised	-	6 530 624	(6 530 624)	-	-
Shares options	-	-	46 476 000	-	46 476 000
Balance at 30 September 2021	334	7 848 820	60 948 002	1 135 018 188	1 203 815 344
Balance at 1 October 2021	334	7 848 820	60 948 002	1 135 018 188	1 203 815 344
Total comprehensive income for the year	-	-	-	3 851 368 975	3 851 368 975
Profit for the year	-	-	-	3 851 368 975	3 851 368 975
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Issue of shares	2	9 999 998	-	-	10 000 000
Share options exercised	-	14 400 003	(14 400 003)	-	-
Shares options	-	-	(8 148 000)	-	(8 148 000)
Dividend declared	-	-	-	(772 547 000)	(772 547 000)
Balance at 30 September 2022	336	32 248 821	38 399 999	4 213 840 163	4 284 489 319



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Notice to Shareholders

AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Notes to the Abridged Financial Statements

For the year ended 30 September 2022

1 General Information

CAFCA Limited (the "Company") manufactures and supplies cables for transmission and distribution of energy. The Company has a primary listing on the Zimbabwe Stock Exchange and secondary listing on the Johannesburg Stock Exchange.

2 Functional currency and exchange rates

In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019, which prescribed parity between the United States Dollar (USD) and the local currency as at and up to the effective date of 22 February 2019. The Company adopted the Zimbabwe Dollar as its functional and reporting currency in 2019 in line with the requirements of the law. For 2019 and subsequent financial years, the directors and management determined that the Company's functional currency is ZWL based on requirements of IAS 21. The annual financial statements for the year ended 30 September 2022 are therefore presented in ZWL being the currency of the primary economic environment in which the Company operates.

i. Auction rate: Having come into effect on 23 June 2020, the Foreign Currency Auction Market was operational throughout the year under audit.

ii. The interbank exchange rate (Willing Buyer Willing Seller): With effect from 09 May 2022, the interbank exchange system was put in place to run parallel to the Foreign Currency Auction System.

Market participants willing to participate on the interbank exchange market/foreign currency auction market are required to meet the eligibility criteria specified by the Reserve Bank of Zimbabwe (RBZ). The Company participated on the Foreign Currency Auction Market during the year to fund some of its foreign currency requirements.

The Company determined that there is no other appropriate exchange rate with observable inputs for financial reporting and therefore applied the auction exchange rate up to 9 May 2022 and the interbank exchange rate subsequent to 9 May 2022. The following exchange rate was applied to translate foreign currency balances for the year ended 30 September 2022:

i. Closing exchange rate- USD 1: ZWL 621.8922 (2021: ZWL 87.6653)

3 Going concern

Management has assessed that the Company will continue operating as a going concern, citing the following:-

a. The company has no exposure to foreign liabilities.

b. The company has stock cover of 3 months in finished goods.

c. The company has adequate working capital and facilities from local banks.

d. Demand for cable remains strong.

4 Inflation adjustment

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy to be stated in terms of a measuring unit current at the reporting date, and that the corresponding figures for prior periods be stated in terms of the measuring unit current at the end of the reporting date. The restatement has been calculated by means of adjustment factors derived from the consumer price index (CPI) prepared by Zimbabwe National Statistics Agency (ZimStat). The adjustment factors used to restate the financial statements as at 30 September 2022, using 2021 base year are as follows:

	Indices	Conversion factor
CPI as at 30 September 2022	12 713.12	1.000
CPI as at 30 September 2021	3 342.02	3.804
CPI as at 30 September 2020	2 205.24	5.765

5 External Auditor's statement

These audited Abridged financial statements should be read in conjunction with full set of audited financial statements of CAFCA Ltd for the year ended 30 September 2022, which have been audited by independent Auditor's, Messrs Grant Thornton Chartered Accountants (Zimbabwe). The audit opinion on the Company's financial statements is qualified because of the residual effects of non-compliance with International Accounting Standard (IAS)21-The Effects of Changes in Foreign Exchange Rates. The audit report includes a section of key audit matters comprising IFRS 9 Expected credit losses allowance on receivables. The audit report has been made available to management and those charged with governance of CAFCA Limited and is available for inspection at the Company registered office.

The engagement partner on the audit resulting in the Independent Auditor's Report is Edmore Chimhowa (PAAB No: 0470).

6 Related party transactions

	Inflation Adjusted		Historical Cost	
	30 Sept 2022 ZWL	30 Sept 2021 ZWL	30 Sept 2022 ZWL	30 Sept 2021 ZWL
Transaction with related parties				
(i) Purchases of goods				
CBI Electric African Cables - A Division of ATC (Proprietary) Limited	-	82 921 136	-	16 097 348
Metal Fabricators of Zambia Plc (Zamefa)	934 882 202	359 204 976	322 877 578	73 029 734
	934 882 202	442 126 112	322 877 578	89 127 082
(ii) Sale of goods				
Metal Fabricators of Zambia plc ("Zamefa")	630 053	-	630 053	-
CBI Electric Telecoms Cables (Proprietary) Limited	-	7 652 941	-	1 429 225
	630 053	7 652 941	630 053	1 429 225
Related party receivables				
Metal Fabricators of Zambia plc ("Zamefa")	630 053	-	630 053	-
	630 053	-	630 053	-
Key management remuneration: Key management includes directors (executive and non-executive) and executive managers (members of the executive committee)				
Salaries and short term benefits	815 858 958	805 599 496	520 257 615	88 894 491
Share options charge	34 330 640	117 417 020	(8 148 000)	46 476 000
Directors' emoluments: -Fees	82 988 193	28 189 456	27 869 702	6 209 989
	933 077 791	951 205 972	539 979 317	141 580 460

There were no loans to Directors or key management of the Company during the year (2021:ZWL nil)

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 Malawi, Rwanda and Mozambique.

	Inflation Adjusted		Historical Cost	
	30 Sept 2022 ZWL	30 Sept 2021 ZWL	30 Sept 2022 ZWL	30 Sept 2021 ZWL
Revenue is analysed as follows:				
Revenue from customers domiciled in Zimbabwe	19 577 551 976	13 494 975 140	11 086 928 064	3 030 837 119
Revenue from external customers	1 755 898 620	1 545 064 070	1 131 035 658	345 871 807
	21 333 450 596	15 040 039 210	12 217 963 722	3 376 708 926

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	
	30 Sept 2022 ZWL	30 Sept 2021 ZWL	30 Sept 2022 ZWL	30 Sept 2021 ZWL
Retail Sector	2 345 219 650	2 062 167 631	1 213 133 216	69 135 774

The segment information provided to the executive team for the product reportable segments for the year ended 30 September are as follows:

	Inflation Adjusted		Historical Cost	
	30 Sept 2022 ZWL	30 Sept 2021 ZWL	30 Sept 2022 ZWL	30 Sept 2021 ZWL
Revenue from customers	21 333 450 596	15 040 039 210	12 217 963 722	3 376 708 926
Profit before interest and taxation	6 617 656 216	2 354 343 003	5 685 502 531	1 119 588 417
Finance income	162 628	110 899	49 844	28 272
Finance cost	(1 001 959 316)	(396 644 229)	(775 817 408)	(84 129 253)
Income tax expense	(1 631 327 160)	(1 601 302 732)	(1 058 365 392)	(273 111 141)
Total assets	12 930 026 772	8 617 710 380	8 159 303 241	1 592 644 912
Liabilities	4 872 684 341	2 075 309 037	3 874 813 922	388 829 568
8 Capital commitments				
The company had no significant capital commitments authorised by the Directors or contracted for at the reporting period (2021: ZWL nil)	-	-	-	-
9 Property plant and equipment				
Capital expenditure	73 957 049	-	32 036 968	-
Depreciation charge	75 943 718	71 834 788	2 151 651	580 323

Commentary and overview of results

Overview

For the first 10 months of the year the Company traded ahead of last year's volumes however the drop off in the last 2 months resulted in year on year volume being 4% lower. Volumes dropped due to the tight monetary policy and interest rates moving above 200% which negatively affected both corporate and individual buying.

Profitability

In historical ZWL terms turnover increased by 262% from ZWL 3.3 billion to ZWL 12.2 billion roughly in line with inflation.

Operating profit at ZWL 5.7 billion was 408% up on the previous year mainly due to the inflation hedges put in place.

Interest at ZWL 776 million was a significant cost and well above the prior year with borrowings peaking at ZWL 1.672 billion at year end.

Earnings per share grew by 402% year on year.

Financial Position

Inventories increased by ZWL 4.4 billion by investing the after tax profits of ZWL 3.9 billion and the balance coming from borrowings.

Trade and other receivables was mainly made up of goods in transit and US dollar debtors.

The forecast is to be in a net positive cash/borrowings position prior to payment of the dividend.

Dividend

A dividend of ZWL 770 million being ZWL 23 per share has been proposed payable before the annual Christmas closedown of the company.

The following were considered in arriving at a decision to pay the dividend:

- Profitability, both current and future;
- Cash flow, both current and future; and
- No borrowings.

Future Outlook

We believe tight monetary policy will continue for the foreseeable future to stabilize the exchange rate. High interest rates, tight liquidity and reduced disposable income will certainly negatively impact volumes. We are however confident that with both local market and export initiatives in place that the company will remain profitable and cash flow positive.

DIVIDEND DECLARATION NOTICE

Notice is hereby given that the Board declared a final dividend of ZWL 23.00 per share for the year ended 30 September 2022 payable in respect of all the ordinary shares of CAFCA Limited. This dividend will be payable in full to all Shareholders of the Company registered as at the close of business on 9 December 2022.

The payment of the dividend will take place on or about 20 December 2022. The applicable shareholders' tax will be deducted from the Gross Dividends.

The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 6 December 2022 and ex-dividend as from 7 December 2022.

Shareholders are requested to submit their updated mailing and banking details to:

First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea
HARARE

Email:- info@fts-net.com and ftsgen@fts-net.com

Telephone:- +263 242 782869/7 or +263 242 776628/49/59/69

By order of Board
10 November 2022

C Kangara
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the members of CAFCA Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of CAFCA Limited set out on pages 8 to 55, which comprise the statement of financial position as at 30 September 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of the Company's significant accounting policies.

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of CAFCA Limited as at 30 September 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates in the prior financial years and International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimates and Errors

An adverse opinion was issued on the inflation adjusted financial statements for the year ended 30 September 2020. This was due to the use of foreign currency exchange rates that were not considered to be appropriate spot rates for translation of foreign currency denominated transactions and balances, as required by IAS 21, 'The Effects of Changes in Foreign Exchange Rates' and its consequential effects on the hyperinflationary adjustments made in terms of IAS 29, 'Financial Reporting in Hyperinflationary Economies'. The opinion for the year ended 30 September 2021 was modified because of the possible effects of the prior year misstatements on the comparability of the 2021 financial information to that of the comparative period.

Grant Thornton

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As the non-compliance with IAS 21 is from prior financial years and there have been no restatements to the prior year financial statements in accordance with IAS 8, the retained earnings as at 30 September 2022 may contain misstatements. As a result, our opinion on the current year financial statements is modified because of the possible residual effects of the non-compliance with IAS 21.

The effects of the above non-compliance with International Financial Reporting Standards were considered to be material but not pervasive to the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the annual financial statements:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>IFRS 9 Expected credit loss allowance</p> <p>The Company had significant trade receivables of ZWL 1 010 320 416, and an expected credit loss allowance of ZWL 57 598 126 as at 30 September 2022 (Refer to Note 9). The expected credit loss allowance was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgement using subjective assumptions when determining both the timing and amounts of the impairment provision for trade receivables.</p> <p>Key areas of judgement included:</p> <ul style="list-style-type: none"> • The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Company expected credit loss model; • The identification of exposures with a significant deterioration in credit quality; • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors 	<p>Our audit procedures in assessing management's allowance for expected credit losses included the following:</p> <ul style="list-style-type: none"> • We assessed and tested the material modeling assumptions with a focus on the: <ul style="list-style-type: none"> i. Key modeling assumptions adopted by the Company; ii. Basis for and data used to determine debtor's categories; and iii. Reliability of the historical data collected. • We examined a sample of exposures and performed procedures to evaluate the: <ul style="list-style-type: none"> i. Timely identification of exposures with a significant deterioration in credit quality. ii. Expected loss calculation for exposures assessed on an individual basis. • Reviewed the assumptions and computations made by management in determining the expected credit losses.

(e.g. exchange rates, interest rates, gross domestic product growth, inflation).	<ul style="list-style-type: none"> • We assessed the accuracy of the disclosures in the financial statements. <p>Based on our audit work, the assumptions used by management and the loss rates calculated were appropriate and reflected the current environment.</p>
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Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report', 'Corporate governance', 'Chairman's report', and 'Managing Director's report', which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion*, the financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is Edmore Chimhowa.



Edmore Chimhowa

Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton

Chartered Accountants (Zimbabwe)

Registered Public Auditors

HARARE

16 November 2022