

# CFI HOLDINGS LIMITED

## Abridged Report To Shareholders For The Half Year Ended 31 March 2023



### SHORT-FORM FINANCIAL ANNOUNCEMENT Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange.

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

The full announcement is available on the Zimbabwe Stock Exchange website: [www.zse.co.zw](http://www.zse.co.zw), and at the registered office of the Company, 1 Wynne Street, Harare.

#### FINANCIAL HIGHLIGHTS

	INFLATION ADJUSTED		HISTORICAL	
	31 Mar. 2023	% change	31 Mar. 2023	% change
	ZWL		ZWL	
Revenue	34,092,782,915	13.0	33,706,419,584	254.5
Operating loss before financing costs, depreciation and impairment	(4,514,029,193)	(292.5)	(3,344,891,705)	(491.3)
Loss for the half year	(9,666,138,314)	(9,148.6)	(4,110,730,218)	(1,457.0)
Total assets	40,849,636,680	22.5	41,958,150,819	55.3
Total equity	(2,454,100,954)	(134.3)	484,861,818	(89.5)
Cash utilised in operations	(3,224,940,417)	69.7	(3,780,652,733)	352.8
Basic losses per share (cents)	(9,048.92)	(9,148.7)	(3,848.25)	(1,457.0)
Headline losses per share (cents)	(9,048.92)	(9,148.7)	(3,848.25)	(1,457.0)

#### Dividend

In view of the current debt position, your Board will not declare a dividend for the half-year ended 31 March 2023.

#### Auditor's Statement

This short-form financial announcement is derived from the reviewed consolidated interim inflation-adjusted financial statements of CFI Holdings Limited, and should be read in conjunction with the complete set of the consolidated inflation-adjusted financial statements for the half-year ended 31 March 2023.

The consolidated interim inflation-adjusted financial statements have been reviewed by Baker Tilly Chartered Accountants (Zimbabwe), who have issued a qualified review conclusion. The auditor's review report on the consolidated interim inflation-adjusted financial statements is available for inspection at the Company's registered office. The engagement partner on the review is Mr. Richard Mandeya (PAAB Number 0965).

**Ms. I. V. Pasi**  
Chairman  
29 June 2023

**Directors:** I.V. Pasi (Chairman), S Zinyemba (Deputy Chairman), S.N. Chibanguza (Acting Group CEO)\*, T. Dumba (Acting Group Finance Director)\*, A Denenga, A.S. Hamilton (Alternate: R.L. Hamilton), P. Muzani, W.E. Munakopah

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## **Independent auditor's report on review of the inflation adjusted consolidated interim financial information to the shareholders of CFI Holdings Limited**

### **Introduction**

We have reviewed the accompanying inflation adjusted abridged interim statement of financial position of CFI Holdings Limited as of 31 March 2023 and the interim inflation adjusted statement of profit or loss and other comprehensive income, interim inflation adjusted statement of changes in equity and interim inflation adjusted statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Directors are responsible for the preparation and fair presentation of these abridged interim financial statements in accordance with International Financial Reporting Standards ("IFRS"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

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Baker Tilly Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

## **Basis for Qualified Conclusion**

### **(a) Impact of prior year Non-Compliance with International Accounting Standard (IAS) 21 – The Effect of Changes in Foreign Exchange Rates and International Accounting Standard (IAS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The basis for qualification is due to misstatements contained in the opening balances from prior years. The misstatement was due to non-compliance with IAS 21– The effect of changes in Foreign exchange rates. CFI Holdings Limited elected to comply with the requirements of Statutory Instrument 33 of 2019 (SI 33/19) which was issued on 20 February 2019. The entity was guided by Statutory Instrument 41 of 2019 (SI 41/19) which states that in the case of inconsistency between local pronouncement and any international standard, the local pronouncement shall take precedence.

Figures that were previously reported as USD prior to February 2019 were converted to the local reporting currency (ZWL) from the previous reporting currency (USD) at a rate of 1:1. This exchange rate did not represent the true market exchange rate that existed. The effects of misstatements due to non-compliance with IAS 21 on the prior year financial statements and opening balances have not been quantified.

As the prior year financial statements have not been restated in accordance with International Accounting Standards 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (IAS8), the misstatements on the prior years’ income statement is still carried forward in the current retained earnings balance.

## **Emphasis of Matter**

### **(a) Impact of Covid 19 Pandemic**

We draw attention to Note 4.8 to the abridged inflation adjusted interim financial information which relates to the impact of COVID 19 pandemic on CFI Holdings Limited and measures directors have put in place in response to the pandemic. There are uncertainties in relation to further possible effects and impacts of the COVID 19 pandemic to CFI Holdings Limited’s operations in future. Our review conclusion is not modified in respect of this matter.

## **Conclusion**

Based on our review, except for the matters described in the Basis for Qualified Conclusion section of our report, the accompanying inflation adjusted abridged interim financial information present fairly, in all material respects, the financial position of CFI Holdings Limited as at 31 March 2023, and of its inflation adjusted financial performance and cash flows for the six month period then ended in accordance with International Accounting Standard 34- Interim Financial Reporting and the requirements of the Zimbabwe Stock Exchange Listing Regulations.

The engagement partner on the review engagement resulting in this independent review conclusion is Richard Mandeya.



Baker Tilly Chartered Accountants  
Partner: Richard Mandeya  
PAAB Practising Number: 0965  
Baker Tilly Chartered Accountants (Zimbabwe)  
Harare

Date: 26 June 2023

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