

### 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, and at the registered office of the Company, 1Wynne Street, Harare.

### FINANCIAL HIGHLIGHTS

	INFLATION	ADJUSTED	HISTO	RICAL
	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)	(9148.7)	(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

<sup>\* -</sup> Executive Director

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











### Directors' Responsibility

The Company's Directors are responsible for the preparation and fair presentation of the Group's financial statements, of which this press release represents an extract. These Abridged Group financial statements are presented in accordance with the disclosure requirements of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019 for provisional financial statements (Preliminary Reports), and in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31). The principal accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial statements. No significant changes arise from new and revised International Financial Reporting Standards (IFRS) which became effective for reporting periods commencing on or after 1 January 2023.

### Cautionary Statement- Reliance on all Financial Statements prepared in Zimbabwe

The Directors would like to advise users to exercise caution in their use of these financial statements due to the impact of the technicalities arising from functional currency changes in February 2019, and its consequent impact on the usefulness of the financial statements for 2019 - 2023 financial periods.

Whilst Directors have exercised due care and applied reasonable judgment they deem appropriate in the preparation and presentation of these financial statements, the Directors advise the need for interpretation caution and remind users that there are significant challenges in ascertaining the underlying business performance in an environment of hyperinflation, multiple exchange rates and numerous changes in economic policies.

### Adoption of IAS 29 (Financial Reporting in hyperinflationary economies)

Effective July 2019, the Public Accountants and Auditors Board (PAAB) advised that conditions for adopting IAS 29 were satisfied. IAS 29 requires that inflation-adjusted financial statements become the entity's primary financial statements. Historical cost financial statements have been presented only as complementary financial information.

### $External\,Auditor's\,Review\,Conclusion$

These abridged Group financial statements have been reviewed by the Group's external auditors, Baker Tilly Chartered Accountants (Zimbabwe), who have issued a qualified review conclusion in respect of non-compliance with IAS 21: "The Effects of Changes in Foreign Exchange Rates" and by extension, IAS 29: "Financial Reporting in Hyperinflationary Economies". The auditor's review report on the Group's interim 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).

### Economic Environment

Hyperinflationary pressures maintained during the first six months, which period ended 31 March 2023, making the economic environment generally difficult on the back of falling consumer buying power. This was aggravated by the pass-through negative effects of the war in Ukraine on global supply chains and the prices of key imported commodities. The trading environment also witnessed the resurgence of acute power supply shortages affecting the Country's productivity levels and increasing the costs of doing business.

Notwithstanding the implementation of tough fiscal and monetary policy interventions in the last quarter of FY2022, a resurgence of exchange rate volatility was witnessed from the end of December 2022, characterized by rapid widening of the gap between exchange rates quoted on the official banking platform and rates on the alternative market. Overall, the local currency depreciated 49.5% against the United States Dollar (USD) on the official banking market from ZWL621.89:USD1 at 30 September 2022 to ZWL929.86:USD1 as at 31 March 2023. Year-on-year (Y-O-Y) inflation declined from 280.4% as at 30 September 2022 to 87.6% as at 31 March 2023, whilst average month-on-month inflation for the period was 1.2% (2022:6.1%). The inflation statistics were distorted by the introduction and implementation of the blended inflation calculation system where USD and ZWL

price movements were taken into account, which does not reflect the hyperinflation levels of the local currency. The exchange rates disparities and the use of blended inflation figures imposed significant performance translation challenges on both historical and inflation adjusted accounts, given the conflict between IFRS and statutes. The distortions largely affect recorded revenues and profit for the period.

Despite normal rains received during the 2022/23 farming season, consumer spending power declined during the period compared to the same period last year. This was mainly affected by depressed producer prices and the spike in the cost of agricultural inputs following the global supply chain interruptions, thus making trading a challenge during the period. Notwithstanding, the Group welcomes certain policy measures put in place by the Government of Zimbabwe to promote the liberalization of grain marketing to the benefit of millers, farmers and ultimately the consumers. In the next half year, the Group will focus on sharpening its procurement strategies in the wake of uncertainty of grain availability and pricing.

### Financial Performance

Group inflation-adjusted revenues for the half year increased marginally by 13.0% from ZWL 30.18 billion in the previous year to ZWL 34.09 billion. This slow growth is reflective of depressed consumer spending power during the half year period. Overall, retail operations contributed 79.8% (2022– 84.8%), milling operations (Victoria Foods) contributed 18.0% (2022 – 12.0%) and farming operations accounted for 2.2% (2022–3.2%) of Group turnover.

Selling price adjustments lagged behind expenses as selling prices were determined in line with official banking exchange rates whilst expenses increased in real terms and were pegged in USD, converted by our suppliers and/or providers to ZWL at prevailing parallel market exchange rates. Further, the Group incurred unrealized exchange losses of ZWL 6.6 billion on its foreign currency denominated loans and creditors. As a result, the Group posted a loss before tax of ZWL9.13 billion against a profit of ZWL1.14 billion for comparative prior year period.

The Group invested ZWL872.53 million (2022 – ZWL111.0 million) into property, plant and equipment, mostly in company motor vehicles renewals and capitalized Victoria Foods plant spares, as well as center-pivot irrigation equipment at Glenara Estates.

### Operations Review

### Farm & City Centre (FCC

The half year ended 31 March 2023 was challenging due to prevailing multiple exchanges rates, high interest rates and reduced consumer spending, thereby decreasing key revenue driver volumes. The division, as with a number of the larger corporates in the country, suffered loss of value on USD settled sales as a result of the progressively widening gap between the interbank exchange rates and the unofficial rates. The lower interbank exchange rate was used to credit accounts in respect of the mandatory liquidated funds.

### Glenara Estates

The Estate established 550 hectares of white maize and 236 hectares of soya beans during the period. Table potato prices realised per kg declined by 24% relative to prior year due to the flooding of the potato market and a reduction in consumer buying power. The Estate's cattle breeding and pen fattening operations were maintained with reasonable success.

### Property Development

### Saturday Retreat

In February 2023, the Supreme Court ruled in favour of Crest Breeders International, confirming the entity's rights in Saturday Retreat Estate. The entity is now seized with formulating a development strategy as the Group looks to enhance its synergies with the retail unit and diversify its portfolio.

### Langford Estates

The legal proceedings remain pending before the relevant tribunals. The market will be updated on further progress in due course.

### Milling Operations

### Agrifoods

Stockfeed sales volumes were a marginal 4% lower than prior year due to market liquidity challenges and declining disposable incomes in the economy. Availability of maize and soya beans was fairly stable during the period. Agrifoods continues to reassert its presence in the market and efforts to improve demand for its products are ongoing. The focus going into the second half of FY2023 and beyond will be to secure adequate raw material supply lines as the entity claws back its market share.

### Victoria Foods (VF)

The flour and maize mills operated at capacity utilization levels of 50.6% and 14% respectively, weighed down mainly by intermittent power cuts. In addition the maize mill was also seriously affected by raw materials supply challenges during the period.

### oultry Division

Crest Poultry Group's other units, being Crest Breeders, Hubbard Zimbabwe and Suncrest Chickens, remained under care and maintenance during the period. Joint ventures leveraging the Group's poultry infrastructure and brands are still being pursued.

### Sustainable Business Practices

Your Board continues to strive to ensure that its business strategies and its values are constantly aligned with sustainable business practices guided by the Global Reporting Initiatives' (GRI) Sustainability Reporting Guidelines.

### Future Prospects

In view of the challenging economic conditions which prevailed during the period, and have since worsened thereafter, the Group foresees the trading environment remaining challenging and complex in the medium term. Proactive management practices will therefore be employed to ensure the Group's survival in these difficult times.

Going forward, the Group will prioritise continued investments in its milling operations in order to underpin its long-term competitiveness. Long term focus remains directed towards the development of low-cost housing delivery in Harare South in support of Government's Vision 2030 on housing. The Group will therefore maintain its efforts to resolve all issues affecting its interests in its land banks to make way for progressive, orderly infrastructure deployment and service delivery to the various settlements.

Your Board will also continually strengthen its human capital base, improve business models to be adaptive to the changing environment and to strengthen its operational systems for the benefit of all stakeholders.

### Acknowledgement and Appreciation

I wish to record my sincere appreciation to Management and Staff for their fortitude and resilience in serving our customers' various needs during these trying times. I also wish to thank our shareholders, customers, suppliers and financiers for their enduring support to the Group, which has made the ongoing business turnaround strategy possible. Lastly, I would also like to record my gratitude and appreciation to my fellow Board members for their valuable contributions, guidance and stewardship.

### Ms. IV Pasi Chairperson

### Dividend Declaration

In view of the current debt position, your Board will not declare a dividend for the six months ended  $31\,\mathrm{March}\,2023.$ 

P. Hare COMPANY SECRETARY BY ORDER OF THE BOARD 29 June 2023

### ABRIDGED GROUP CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		INFLATI	ON ADJUSTED	HIST	ORICAL
		Ha		Half	
	Notes	31 Mar. 2023	31 Mar. 2022	31 Mar. 2023	31 Mar. 2022
		ZWL	ZWL	ZWL	
Turnover		33,963,322,380	30,037,316,725	33,562,025,018	9,450,187,067
Changes in fair value of biological assets		129,460,535	144,547,282	144,394,566	58,086,121
Revenue		34,092,782,915	30,181,864,007	33,706,419,584	9,508,273,188
Operating (loss) income before financing costs,					
depreciation and impairment		(4,514,029,193)	2,344,505,673	(3,344,891,705)	854,786,028
Depreciation expense		(263, 263, 478)	(246,883,315)	(249,305,958)	(69,010,774)
Share of losses from joint ventures		(104,257,346)	(16,613,771)	(8,667,996)	(1,188,956)
Net finance costs		(1,130,125,590)	(477,967,286)	(1,122,614,235)	(152,067,987)
Monetary losses		(3,096,879,995)	(462,726,998)	-	-
(Loss) profit before tax	4.1	(9,108,555,602)	1,140,314,303	(4,725,479,894)	632,518,311
Income tax (expense) credit	4.2	(557,582,712)	(1,244,828,549)	614,749,676	(329,582,388)
(Loss) profit for the half year		(9,666,138,314)	(104,514,246)	(4,110,730,218)	302,935,923
NDR movement net of taxes on plant					
and equipment disposals		-	-	(1,000,998)	-
Total other comprehensive income		-	-	(1,000,998)	-
Total comprehensive (loss) income		(9,666,138,314)	(104,514,246)	(4,111,731,216)	302,935,923
total comprehensive (loss) income		(9,000,138,314)	(104,514,246)	(4,111,/31,216)	302,933,923
(Loss) profit attributable to:					
Equity holders of the parent		(9,666,138,314)	(104,514,246)	(4,110,730,218)	302,935,923
Total comprehensive (loss) income attributable to:					
Equity holders of the parent		(9,666,138,314)	(104,514,246)	(4,111,731,216)	302,935,923
Basic (losses) earnings per share (cents)		(9,048.92)	(97.84)	(3,848.25)	283,59
Diluted (losses) earnings per share (cents)		(9,048.92)	(97.84)	(3,848.25)	283.59
Headline (losses) earnings per share (cents)		(9,048.92)	(97.84)	(3,848.25)	283.59
Net asset value per share (cents)		(2,297.40)	6,693,68	453.90	1,678,54
Shares in issue		106,820,875	106,820,875	106,820,875	106,820,875

### ABRIDGED GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		INFLATIO	ON ADJUSTED	HIST	ORICAL
ASSETS	Notes	31 Mar. 2023	30 Sept. 202	31 Mar. 2023	30 Sept. 2022
		ZWL	ZW	ZWL	ZWL
Non-current assets		Y			
Property, plant and equipment		11,455,811,248	10,847,992,896	10,761,896,186	10,131,682,914
Investments (unlisted)		862,740,661	862,739,751	805,772,542	805,771,692
Investments in joint ventures		(116,126,798)	(11,869,453)	(14,291,918)	(5,623,922)
Deferred tax assets		-	-	2,484,112,043	551,499,444
Total non-current assets		12,202,425,111	11,698,863,194	14,037,488,853	11,483,330,128
Current assets					
Inventories and biological assets	4.3	22,906,273,497	18,498,691,214	22,179,723,894	12,591,749,149
Trade and other receivables	4.5	4,183,192,017	2,513,760,017	4,183,192,017	2,347,772,501
Investments - listed shares		46,074,978	33,531,218	46,074,978	31,317,099
Cash and bank balances		1,511,671,077	600,926,734	1,511,671,077	561,246,599
Total current assets		28,647,211,569	21,646,909,183	27,920,661,966	15,532,085,348
TO THE MODELO		20,017,1211,505	21,010,707,103	2,,,,20,001,,,00	19,992,009,910
TOTAL ASSETS		40,849,636,680	33,345,772,377	41,958,150,819	27,015,415,476
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent		(2,454,100,954)	7,150,249,516	484,861,818	4,596,593,035
Total equity		(2,454,100,954)	7,150,249,516	484,861,818	4,596,593,035
Non-current liabilities					
Deferred tax liabilities		1,830,448,633	2,191,689,677	_	_
Accruals and other payables		5,501,854	5,890,835	5,501,854	5,501,854
Long term borrowings	4.4	15,473,487,901	10,427,970,636	15,473,487,901	9,739,395,382
Total non-current liabilities		17,309,438,388	12,625,551,148	15,478,989,755	9,744,897,236
Current liabilities					
Trade payables and other payables		20,771,726,097	10,473,146,752	20,771,726,097	9,781,588,452
Short term borrowings	4.4	2,889,214,595	1,475,025,822	2,889,214,595	1,377,627,554
Bank overdraft		1,063,253,359	932,399,761	1,063,253,359	870,831,943
Current tax liabilities		1,270,105,195	689,399,378	1,270,105,195	643,877,256
Total current liabilities		25,994,299,246	13,569,971,713	25,994,299,246	12,673,925,205
TOTAL EQUITY AND LIABILITIES		40,849,636,680	33,345,772,377	41,958,150,819	27,015,415,476



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

INT OF CASH FLOWS	tTAL CHANGES changes	
ABRIDGED GROUP CONSOLIDATED STATEMENT OF CASH FLOWS	CASH HOWN FROM OPERATING ACTIVITIES CASH (OUT)INFLOW'S BEFORE WORKING CAPITAL CHANGES CASH generated from (utilised through) working capital changes CASH UTILISED IN OPERATIONS	Net interest paid

CASH FLOWS FROM INVESTING ACTIVITIES
Purchase of property, plant and equipment
Proceeds from disposal of property, plant and equipment
NET CASH OUTFLOWS TO INVESTING ACTIVITIES Income taxes paid
NET CASH UTILISED IN OPERATING ACTIVITIES

NET INCREASE IN CASH AND CASH EQUIVALENTS
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
CASH AND CASH EQUIVALENTS AT END OF THE HALF YEAR
CASH AND balances
Bank overdraft CASH FLOWS FROM FINANCING ACTIVITIES
I loctease in long term loans
I loctease in lead investments
Increase in short term loans
NET CASH INFLOWS FROM FINANCING ACTIVITIES

INFLATION	ADJUSTED	HISTO	RICAL	
Half year to	ur to	Halfy		
31 Mar. 2023	31 Mar. 2022	31 Mar. 2023		4.0
ZWI	ZWI	TAXZ	TMZ	
				4.1
(7,755,979,113)	1,737,231,393	(3,491,789,832)	796,699,907	
4,531,038,696	(3,637,115,656)	(288,862,901)	(1,631,613,128)	
(3,224,940,417)	(1,899,884,263)	(3,780,652,733)	(834,913,221)	
(1,130,125,590)	(477,967,286)	(691,306,283)	(144,002,264)	
(456,719,190)	(539,744,095)	(1,122,614,235)	(152,067,987)	
(4,811,785,197)	(2,917,595,644)	(5,594,573,251)	(1,130,983,472)	
(872,530,226)	(111,008,610)	(880,858,929)	(32,317,291)	4.2
17,043,890	,	2,513,561	,	
(855,486,336)	(111,008,610)	(878,345,368)	(32,317,291)	
5,045,517,265	2,931,665,337	5,734,092,519	1,159,238,983	
(12,543,760)	(5,287,190)	(14,757,879)	(6,543,598)	
1,414,188,773	1,354,790,424	1,511,587,041	493,107,335	4.3
6,447,162,278	4,281,168,571	7,230,921,681	1,645,802,720	
1 000	100000000000000000000000000000000000000	0,00000	100000	
7,9,890,/45	/15,505,504,51/	798,003,007	482,501,95/	
(331,473,027)	741,874,120	(309,585,344)	215,684,151	
448,417,718	1,994,438,437	448,417,718	801,886,108	
1,511,671,077	2,026,301,699	1,511,671,077	709,340,369	
(1,063,253,359)	(31,863,262)	(1,063,253,359)	(11,154,261)	

218,679,310 4,524 142,029,695 (31,131,141) 329,582,388

41,960,652 603,419 53,264,000

HIST Half-

# ABRIDGED GROUP STATEMENT O

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	CAPITAL	RETAINED	
	RESERVES	EARNINGS (LOSSES)	F
	ZMZ	TMZ	
	21,060,279,046	21,060,279,046 (9,431,441,712)	11,628,83
	(7,693,299,589)	7,693,299,589	
	•	(4,416,799,974)	(4,416,79
	13,366,979,457	(6,154,942,097)	7,212,03
	•	(9,666,138,314)	(9,666,13
	13,366,979,457	13,366,979,457 (15,821,080,411)	(2,454,100

Balance at 30 September 2021 Elimination of revaluation reserves. Loss for the year Balance at 30 September 2022 Loss for the half year Balance at 31 March 2023

Balance at 30 September 2021	
Other comprehensive income for the year	
Profit for the year	
Balance at 30 September 2022	
Profit for the half year	
Other comprehensive income for the year	

2,591,286,578 6,895,700,512 (4,890,394,057) 4,596,593,033 (4,110,730,218) (1,000,997) 484,861,818

- (\*,110,/30,218) - (8,798,164,805) (4,890,394,057) (4,687,434,587) (4,110,730,218) 202,959,470

## NOTES TO THE ABRIDGED GROUI

### 2.0

r the half year ended 31 March 2023 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in the Othe Resiness Entities, Chapter 24-331 (COBE). The Listing Requirements require financial statements to be prepared in accordance with International Accounting Standards Boand (COBE). The Geoup's consolidated inflation adjusted financial statements have been prepared based on the statutory strategies and are presented in Zimbabwean Dellan (ZWL).

### 2.1

1AS 21 (The Effects of Change in Everign Exchange Rates)
As reported in the Compty prior way frameware a comment promulgated Strutory thstrument 35 of 2019 on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar at the text frameware and every extra financial strutory and prescribed that five accounting and other purposes, certain assess and habilities on the effective clare would be deemed in by Zimbabwe Dollars at the rate which was as a par with the United States Dollar (USD). CFI Holdingst Limited elected to comply with the requirements of Statutory Instrument 33 of 2019 (SI 33199) which was issued on 20 February 2019. The 141 exchange met between Zimbab and USD) and USD prescribed by 133191 or in an incondance with the requirements of IAS 21. The entity was guided by Statutory Instrument 44 of 2019 (SI 41119) which stated that in the case of inconsistency between local pronouncement and any international standard, the local pronouncement shall take precedence. Due to the impact of these technicalities, the Directors advise users to exercise caution in their use of these inflation adjusted financial strutoments.

In light of this falure to fully comply with the requirements of IAS 21, the Group's Independent Auditors, Messs Baker Tilly Chartered Accountant financial structurents for the first vis months ended 31 March 2023.

# 2.2

Application of IAS 29 (Financial Reporting in Hyperinflationary economics)

The financial transments have been prepared in according or with IAS 29 together IAS 29), as if the economy had been hyperinflationary from I Corber 2018. As the Explanation Consumer Price Index ("CRT") as the general price index to restrate planating power of the XPU, and for the purposes of his presentation in according manuals in the Goog financial results have been restard to reflect the change in

CPI as at 31 March 2023 CPI as at 30 September 2022 CPI as at 31 March 2022

Review Opinion - for the half year ended 31 March 2023

These Abridged Group interim financial statements have been reviewed by the Group's external auditors, Baker Tilly Chartered Accountants (Zimbabwe), who have the pervasive technical issues aforementioned above. The auditor's review report on the Group's interim financial statements is available for impection at the Compar 3.0

4.0	Supplementary information	31 Mar. 2023 ZWL	31 Mar. 2022 ZWL	31 Mar. 2023 ZWL
4.1	(Loss) profit before tax (Loss) profit before tax (Loss) profit before tax is shown after charging the following significant items:			
	Net leasing expenses Depreciation expense Compensation of directors and key management - for searcies as directors - for management services	344,568,824 263,263,478 4,452,696 175,904,135	127,771,507 246,883,315 1,915,470 167,010,645	14,622,064 249,305,958 4,432,236 175,360,296
4.2	Income tax expense (credit) Current tax Withholding tax Intermediate transactions tax Deferred tax (credit) charge relating to current temporary differences	863,507,640 12,571,120 436,941,471 (755,437,519) 557,582,712	625,834,806 14,977 447,509,506 171,469,260	861,271,219 7,183,687 449,079,316 (1,932,283,898) (614,749,676)
4.3	Inventories	INFLATION A 31 Mar. 2023	DJUSTED 30 Sept. 2022	HISTORI 31 Mar. 2023
	Finished goods  Raw materish and consumables Biological assets and agricultural produce on hand  Land in development	15,492,597,825 6,222,472,793 1,173,499,486 17,703,393 22,906,273,497	11,822,315,709 5,276,467,333 624,693,041 775,215,131 18,498,691,214	14,753,271,165 6,234,174,133 1,175,744,185 16,534,411 22,179,723,894
4.4	Borrowings  The table below summarizes the movements in the Group's third party borrowings during the period: Balance at the beginning of the year Loans naised fair value adjustments during the half year Balance at the end of the half year	11,902,996,458 6,459,706,038 18,362,702,496	3,030,093,919 8,872,902,539 11,902,996,458	11,117,022,936 7,245,679,560 18,362,702,496
	Short-term borrowings Long-term borrowings Total borrowings	2,889,214,595 15,473,487,901 <b>18,362,702,496</b>	1,475,025,822 10,427,970,636 11,902,996,458	2,889,214,595 15,473,487,901 <b>18,362,702,496</b>
	All the loans were raised to fund the Group's working capital requirements. Except for the long-term borrowings, which are unsecured, all short-term loans are secured against Group properties.			
4.5	Contingent liabilities at reporting date in respect of; Cutamines given to trade codicos Languodi Estree (envissed reversal of fland for debt swap) City of Hanse mess	100,000,000 32,000,000 90,237,954 1,271,276 223,509,229	107,070,000 34,262,400 55,210,158 1,361,155 197,903,713	100,000,000 32,000,000 90,237,954 1,271,276 223,509,229
4.6	Capital commitments Authorised but not yet contracted	2,301,340,100	2,464,044,845	2,301,340,100
	The capital expenditure will be financed from the Company's own resources and existing borrowing facilities.			
4.7	Segment information	INFLATION A Half - Yes 31 Mar. 2023 ZWL	DJUSTED ar to 31 Mar. 2022 ZWL	HISTORI Half-Yea 31 Mar. 2023 ZWL
	Revenue Recail Faming Milling Head Office & Properties	27,195,237,571 742,031,094 6,137,151,012 18,363,238 34,092,782,915	25,583,979,408 983,033,694 3,612,019,957 2,830,948 <b>30,181,864,007</b>	27,009,593,352 747,127,705 5,935,649,147 14,049,380 33,706,419,584
	EBITDA Recail Faming Miling Head Office & Properties	(7,451,677,156) 170,917,676 258,156,673 (692,563,727) (7,715,166,534)	652,868,116 633,753,155 695,891,971 (117,348,339) 1,865,164,903	(4,350,044,305) 192,483,715 1,164,244,056 (360,243,166) (3,353,559,701)

743,761,384 10,373,261,552 11,117,022,936

1,377,627,554 9,739,395,382 11,117,022,936

7,659,753,881 4,443,468,914 471,991,945 16,534,409 2,591,749,149

100,000,000 32,000,000 51,564,545 1,271,276 184,835,821

2,301,340,100 2,301,340,100

7,913,582,797 324,366,110 1,268,158,721 2,165,560 **9,508,273,188** 

455,024,484 214,014,735 218,260,433

853,702,579 853,597,07

Segment assets Retail	Farming Milling	Properties & Head Office

17,686,047,530 1,953,762,347 4,081,062,552 3,294,543,047 27,015,415,476

25,679,827,313 3,005,844,876 9,438,612,562 3,833,866,067 41,958,150,819

21,322,289,591 2,031,028,196 4,888,656,846 5,103,797,744 33,345,772,377

24,193,945,755 3,054,746,066 9,529,901,720 4,071,043,139 40,849,636,680

 20,160,155,898
 30,068,117,969
 17,500,325,585

 1,699,077,478
 18,83,908,530
 1,555,136,384

 2,752,284,783
 8,635,302,90
 2,705,662,292

 1,584,004,702
 934,959,906
 684,908,179

 2,6195,522,861
 41,473,289,001
 22,418,822,441

31,545,986,593 1,909,064,358 8,088,904,165 1,759,782,518 **43,303,737,634** 

Retail Faming Milling	Properties & Head Office	Segment liabilities Retail

		8
Segment liabilities Retail	Farming Milling	Properties & Head Office

4.8

Events after the reporting period
There were no significant adjusting or nor 4.9

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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.

### **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.

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**Baker Tilly Chartered Accountants** 

Partner: Richard Mandeya PAAB Practising Number: 0965

Baker Tilly Chartered Accountants (Zimbabwe)

Harare

Date: 26 June 2023