



Statement of Comprehensive Income
For the year ended 30 September 2023

	Inflation Adjusted		Historical Cost	
	30 Sept 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL
Revenue	164 001 734 704	75 044 843 245	109 635 330 366	12 217 963 722
Operating profit	63 425 490 831	23 226 659 070	61 380 099 554	5 685 501 930
Finance income	35 657	572 078	10 902	49 844
Finance cost	(2 948 564 827)	(3 524 599 992)	(1 656 260 992)	(775 817 408)
Monetary gain/(loss)	2 881 975 510	(6 156 709 604)	-	-
Profit before income tax	63 358 937 171	13 545 921 552	59 723 849 464	4 909 734 366
Income tax expense	(12 012 460 324)	(5 738 532 098)	(8 847 996 861)	(1 058 365 392)
Profit for the year	51 346 476 847	7 807 389 454	50 875 852 603	3 851 368 974
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	51 346 476 847	7 807 389 454	50 875 852 603	3 851 368 974
Weighted average number of ordinary shares in issue	33 789 000	33 589 000	33 789 000	33 589 000
Basic earnings per share (cents)	151 962	23 244	150 569	11 466
Diluted earnings per share (cents)	151 068	22 970	149 683	11 331
Headline earnings per share (cents)	151 962	23 244	150 569	11 466
Dividend per share	USD Cents 7.90	ZWL 80.91	USD Cents 7.90	ZWL 23.00

Statement of Financial Position
As at 30 September 2023

	Inflation Adjusted		Historical Cost	
	30 Sept 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	3 039 071 724	1 843 363 765	504 078 840	33 068 548
Deferred income tax asset	-	-	1 018 554 397	154 945 844
	3 039 071 724	1 843 363 765	1 522 633 237	188 014 392
Current assets				
Inventories	69 339 605 120	34 081 763 765	39 580 604 016	5 318 397 448
Trade and other receivables	23 630 334 089	7 530 180 997	23 309 851 620	2 076 167 491
Cash and cash equivalents	2 689 649 900	2 028 746 127	2 689 649 900	576 723 908
Income tax asset	871 074 748	-	871 074 748	-
	96 530 663 857	43 640 690 889	66 451 180 284	7 971 288 847
Total assets	99 569 735 581	45 484 054 654	67 973 813 521	8 159 303 239
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to owners of the parent				
Share capital	231 057	231 050	338	336
Share premium	705 337 921	620 883 526	67 458 818	32 248 821
Share option reserve	1 295 636 675	883 663 977	375 936 001	38 399 999
Retained earnings	63 592 517 566	26 838 596 888	40 497 136 594	4 213 840 160
Total equity	65 593 723 219	28 343 375 441	40 940 531 751	4 284 489 316
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	6 942 730 592	3 719 661 144	-	-
Current liabilities				
Bank overdrafts	3 926 560 620	3 048 460 751	3 926 560 620	866 604 340
Trade and other payables	4 889 629 173	1 664 707 563	4 889 629 173	473 236 468
Provisions for other liabilities and charges	3 624 535 808	1 904 716 271	3 624 535 808	541 465 192
Current income tax liability	-	1 249 874 129	-	414 849 364
Borrowings	-	2 835 664 831	-	806 111 559
Dividend payable	14 592 556 169	2 717 594 524	14 592 556 169	772 547 000
	27 033 281 770	13 421 018 069	27 033 281 770	3 874 813 923
Total liabilities	33 926 012 362	17 140 679 213	27 033 281 770	3 874 813 923
Total equity and liabilities	99 569 735 581	45 484 054 654	67 973 813 521	8 159 303 239

Statement of Cash Flows
For the year ended 30 September 2023

	Inflation Adjusted		Historical Cost	
	30 Sept 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL
Cash flows from operating activities				
Profit before income tax	63 358 937 171	13 545 921 552	59 723 849 464	4 909 734 366
Adjustments for:				
Depreciation	455 709 525	267 147 801	57 315 167	2 151 651
Net (gain)/loss on net monetary assets	(2 881 975 510)	6 156 709 604	-	-
Profit from disposal of property, plant and equipment	(250 085 756)	(28 304 377)	(95 027 828)	(7 644 902)
Non-cash employee benefit expense - share based payment	462 926 742	120 413 386	362 746 001	(8 148 000)
Finance cost	2 948 564 827	3 524 599 992	1 656 260 992	775 817 408
Finance income	(35 657)	(572 078)	(10 902)	(49 844)
Working capital changes:				
Increase in inventories	(35 257 841 355)	(13 903 995 711)	(34 262 206 568)	(4 388 462 477)
Increase in trade and other receivables	(16 100 153 092)	(2 491 933 955)	(21 233 684 129)	(1 697 387 114)
Increase in trade and other payables	3 224 921 610	8 977 946	4 416 392 705	349 503 129
Increase in provision for other liabilities	1 719 819 537	974 507 709	3 083 070 616	471 950 333
Net cash generated from operations	17 680 788 042	8 173 471 869	13 708 705 517	407 464 989
Finance cost	(2 948 564 827)	(3 524 599 992)	(1 656 260 992)	(775 817 408)
Finance income	35 657	572 078	10 902	49 844
Income taxes paid	(13 519 288 992)	(4 134 360 668)	(10 997 529 525)	(820 832 031)
Net cash generated/(utilised in) from operating activities	1 212 969 880	515 083 286	1 054 925 902	(1189 134 606)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(1 161 379 255)	(260 159 280)	(528 391 607)	(32 036 968)
Proceeds from sale of motor vehicles	250 085 756	28 304 377	95 093 977	7 644 902
Net cash utilised in investing activities	(911 293 499)	(231 854 903)	(433 297 630)	(24 392 066)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of borrowings	(806 111 561)	-	(806 111 561)	-
Proceeds from borrowings	-	2 378 362 842	-	676 103 536
Proceeds from issuance of shares - share options	33 500 358	118 911 602	10 000 000	10 000 000
Dividend paid	(2 717 594 524)	-	(772 547 000)	-
Net cash (utilised in)/generated from financing activities	(3 490 205 727)	2 497 274 444	(1 568 658 561)	686 103 536
(Decrease)/ncrease in cash and cash equivalents	(3 188 529 346)	2 780 502 827	(947 030 288)	(527 423 136)
Cash and cash equivalents at the beginning of the year	(1 019 714 624)	3 178 662 254	(289 880 432)	237 542 704
Effects of inflation on cash and cash equivalents	2 971 333 250	(6 978 879 705)	-	-
Cash and cash equivalents at the end of the year	(1 236 910 720)	(1 019 714 624)	(1 236 910 720)	(289 880 432)

Statement of Changes in Equity - Inflation Adjusted
As at 30 September 2023

	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 October 2021	231 043	449 650 827	815 571 695	21 748 801 958	23 014 255 523
Total comprehensive income for the year	-	-	-	7 807 389 454	7 807 389 454
Profit for the year	-	-	-	7 807 389 454	7 807 389 454
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners in their capacity as owners					
Share option exercised	7	118 911 595	-	-	118 911 602
Share option expense	-	-	120 413 386	-	120 413 386
Transfers between reserves	-	52 321 104	(52 321 104)	-	-
Dividend declared	-	-	-	(2 717 594 524)	(2 717 594 524)
Balance at 30 September 2022	231 050	620 883 526	883 663 977	26 838 596 888	28 343 375 441
Balance at 1 October 2022	231 050	620 883 526	883 663 977	26 838 596 888	28 343 375 441
Total comprehensive income for the year	-	-	-	51 346 476 847	51 346 476 847
Profit for the year	-	-	-	51 346 476 847	51 346 476 847
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners in their capacity as owners					
Share options exercised	7	33 500 351	-	-	33 500 358
Share option expense	-	-	462 926 742	-	462 926 742
Transfers between reserves	-	50 954 044	(50 954 044)	-	-
Dividend declared	-	-	-	(14 592 556 169)	(14 592 556 169)
Balance at 30 September 2023	231 057	705 337 921	1 295 636 675	63 592 517 566	65 593 723 219

Statement of Changes in Equity - Historical Cost
As at 30 September 2023

Balance at 1 October 2021	334	7 848 820	60 948 002	1 135 018 186	1 203 815 342
Total comprehensive income for the year	-	-	-	3 851 368 974	3 851 368 974
Profit for the year	-	-	-	3 851 368 974	3 851 368 974
Transactions with owners in	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Share options exercised	2	9 999 998	-	-	10 000 000
Transfer between reserves	-	14 400 003	(14 400 003)	-	-
Share option expense	-	-	(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	4 213 840 160	4 284 489 316
Balance at 1 October 2022	336	32 248 821	38 399 999	4 213 840 160	4 284 489 316
Total comprehensive income for the year	-	-	-	50 875 852 603	50 875 852 603
Profit for the year	-	-	-	50 875 852 603	50 875 852 603
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Share options exercised	2	9 999 998	-	-	10 000 000
Transfer between reserves	-	25 209 999	(25 209 999)	-	-
Share option expense	-	-	362 746 001	-	362 746 001
Dividend declared	-	-	-	(14 592 556 169)	(14 592 556 169)
Balance at 30 September 2023	338	67 458 818	375 936 001	40 497 136 594	40 940 531 751



Notes to the Abridged Audited Financial Results
For the year ended 30 September 2023

NOTES TO THE FINANCIAL RESULTS

1 General Information

CAFCA Limited (the "Company") manufactures and supplies cables for transmission and distribution of energy and information. It is a public limited incorporated in Zimbabwe. The company has its 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 upto 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 2023 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 operations.

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 2023 and the interbank exchange rate subsequent to 9 May 2022. The following exchange rate was applied to translate foreign currency transactions and balances for the year ended 30 September 2023:-

Closing exchange rate - USD 1: ZWL 5 466.7466 (2022: ZWL 621.8922)

3 Going concern

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

- a. The company has limited 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

IAS29 requires that the financial statements prepared in the currency of a hyper inflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms. The Zimbabwe National Statistics Agency(ZimStats) stopped publishing the ZWL Consumer Price Indices in January 2023 and replaced these with the weighted average consumer price index(blended indices), in line with Statutory Instrument 23 of 2023. This created challenges for financial reporting purposes because the weighted average consumer price index do no comply with IAS 29 which requires use of a General Price Index of the hyperinflationary currency (ZWL) as a basis of restatement. In the absence of ZWL inflation indices for the period 1 February 2023 to 30 September 2023, an estimation was made based on the Total Consumption Poverty Line (TCPL) statistics published by ZimStat.

The indices and conversion factors used to restate the Company's financial statements for the year ended 30 September 2023 are provided below. The indices and 'conversion factors used to restate the accompanying financial statements are as follows:

	Indices	Conversion factor
CPI as at 30 September 2023	44 721.04	1.000
CPI as at 30 September 2022	12 713.12	3.518
CPI as at 30 September 2021	3 342.02	13.381

5 Auditor's Statement

These abridged financial statements derived from the audited inflation adjusted financial statements of CAFCA Limited for the financial year ended 30 September 2023, should be read together with the complete set of audited inflation adjusted financial statements of the Company, for the year ended 30 September 2023, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Edmore Chimhowa, Registered Public Auditor 0470. An unmodified opinion has been issued on the audited inflation adjusted financial statements, for the year then ended.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the inflation adjusted financial statements. The key audit matter was with respect to determination of allowance for expected credit losses. The auditor's report on the inflation adjusted financial statements and the full set of the audited inflation adjusted financial statements, are available for inspection at the Company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

6 Related party transactions

	Inflation Adjusted		Historical Cost	
	30 Sept 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL
Purchases of goods and equipment				
CBI Electric African Cables - A Division of ATC (Proprietary) Limited	604 288 482	-	240 191 996	-
Metal Fabricators of Zambia Plc (Zamefa)	-	1 135 788 939	-	322 877 578
	604 288 482	1 135 788 939	240 191 996	322 877 578
Sale of goods				
Metal Fabricators of Zambia (Plc) (Zamefa)	6 264 956	2 216 342	1 915 433	630 053
Balance owing				
Metal Fabricators of Zambia Plc (Zamefa)	-	2 216 342	-	630 053
	-	2 216 342	-	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	7 568 172 622	2 869 953 332	4 777 984 848	529 257 615
Share options charge				
Directors' emoluments:	462 926 742	120 413 386	362 746 001	(8 148 000)
-Fees	259 500 145	291 928 205	144 720 076	27 869 702
	8 290 599 509	3 282 294 923	5 285 450 925	539 979 317

Directors: H.P. Mkushi (Chairman), R.N. Webster (Managing Director), E.T.Z. Chidzonga, T. Chigumbu, L. Corte, S. Mangwengwende, S. Maparura, J. Tapambgwa

NOTES TO THE FINANCIAL RESULTS (continued)

7 Segment information

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 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL
Revenue is analysed as follows:				
Revenue from customers domiciled in Zimbabwe	150 240 195 881	68 868 105 164	101 194 727 958	11 086 928 064
Revenue from external customers	13 761 538 823	6 176 738 081	8 440 602 408	1 131 035 658

The major component of the total revenue from three major customers of at least 10% is as follows:

	Inflation Adjusted		Historical Cost	
	30 Sept 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL
Retail Sector	26 156 075 999	8 249 797 201	13 766 355 789	1 213 133 216

The segment information for the product reportable segments for the year ended 30 Sept are as follows:

	Inflation Adjusted		Historical Cost	
	30 Sept 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL
Revenue from customers	164 001 734 704	75 044 843 245	109 635 330 366	12 217 963 722
Profit before interest and taxation	63 425 490 831	23 226 659 070	61 380 099 554	5 685 501 930
Non-cash employee benefit expense - share based charge/(credit)	462 926 742	120 413 386	362 746 001	(8 148 000)
Finance income	35 657	572 078	10 902	49 844
Finance cost	2 948 564 827	3 524 599 992	1 656 260 992	775 817 408
Income tax expense	12 012 460 324	5 738 532 098	8 847 996 861	1 058 365 392
Total current assets	96 530 663 857	43 640 690 889	66 451 180 284	7 971 288 847
Current liabilities	27 033 281 770	13 421 018 069	27 033 281 770	3 874 813 923

8 Capital commitments

The company had no significant capital commitments authorised by the directors or contracted for at the reporting period (2022: ZWL nil)

9 Property plant and equipment

	Inflation Adjusted		Historical Cost	
	30 Sept 2023 ZWL	30 Sept 2022 ZWL	30 Sept 2023 ZWL	30 Sept 2022 ZWL
Capital expenditure	1 161 379 255	260 159 280	528 391 607	32 036 968
Depreciation charge	455 709 525	267 147 801	57 315 167	2 151 651

Commentary and overview of results

Overview

Our finished goods stock holding and short production lead times enabled us to timeously meet all orders received by CAFCA in the year. Volumes were in line with the previous year though copper cable sales increased by 9% year on year.

Turnover and Profitability

Inflation adjusted turnover grew from \$75.0 billion in 2022 to \$164.0 billion in 2023 reflecting the volatility in the exchange rates, sales mix changes and copper price movements.

Inflation adjusted after tax profit at \$51.3 billion was not significantly different to the historical cost after tax profit of \$50.8 billion.

Inflation adjusted earnings per share using the indices stated under note 4 was ZWL\$1520 versus the previous year of ZWL\$232 allowing the directors to propose a dividend of US\$7.90cents per share against the previous year dividend of ZWL\$23 per share – in US\$ an increased dividend of 204% year on year.

Statement of Financial Position

The after tax inflation adjusted profit of \$51.0 billion has gone towards a dividend of \$14.6 billion, replacing stock sold of \$35.0 billion with the balance used to finance debtors.

The cashflow plan is to generate sufficient cash by the end of January 2024 to repay the borrowings of \$3.9 billion and pay the dividend of \$14.6 billion.

Dividend Declaration

The Directors have recommended the payment of a dividend in US\$ at 7.90 cents per share payable on 15th December 2023 to shareholders registered on 1st December 2023.

The shares of the Company will be traded cum dividend on the Zimbabwe Stock Exchange up to the market day of 28 November 2023 and ex dividend as from 29 November 2023.

The dividend paid in 2022 was denominated in ZWL\$ - ZWL\$23 per share.

Future Outlook

We aim to increase our export footprint with at least 2 more consignment stock arrangements. Locally we have plans to improve our Utility business and initiatives to win over more Mining sector customers. An increased solar cable offering will be launched in December.

By order of Board
09 November 2023


C Kangara
Company Secretary

INDEPENDENT AUDITOR'S REPORT

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To the members of CAFCA Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CAFCA Limited set out on pages 8 to 53, which comprise the statement of financial position as at 30 September 2023, 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, the financial statements present fairly, in all material respects, the financial position of CAFCA Limited as at 30 September 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the inflation adjusted financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the inflation adjusted financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 19 246 402 785, and an expected credit loss allowance of ZWL 261 272 126 as at 30 September 2023 (Refer to Note 8). 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 (e.g. exchange rates, interest rates, gross domestic product growth, inflation). 	<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: <ol 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: <ol 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. • 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>

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report', 'Corporate governance report', '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, 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 2023