

NOTICE TO SHAREHOLDERS

REVIEWED ABRIDGED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2024



Statement of Comprehensive Income For the six months ended 31 March 2024

	Inflation Adjusted		Historical Cost	
	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL
Revenue	685 802 840 772	483 194 636 704	212 867 126 998	15 699 795 167
Operating profit	229 638 034 626	198 905 813 449	112 594 585 417	7 065 113 815
Finance income	-	335 499	-	10 902
Finance cost	(12 423 672 674)	(14 018 087 409)	(3 488 205 195)	(450 822 350)
Monetary loss	(37 179 434 115)	(22 744 614 475)	-	-
Profit before income tax	180 034 927 837	162 143 447 064	109 106 380 222	6 614 302 367
Income tax expense	(34 516 308 455)	(45 263 895 896)	(30 450 193 129)	(1 627 445 114)
Profit for the period	145 518 619 382	116 879 551 168	78 656 187 093	4 986 857 253
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	145 518 619 382	116 879 551 168	78 656 187 093	4 986 857 253
Weighted average number of ordinary shares in issue	33 949 000	33 589 000	33 949 000	33 589 000
Basic earnings per share	4 286.39	3 479.70	2 316.89	148.47
Diluted earnings per share	4 281.34	3 388.79	2 314.17	146.72
Headline earnings per share	4 247.30	3 374.10	2 295.28	147.59

Statement of Financial Position As at 31 March 2024

	Inflation Adjusted		Historical Cost	
	31 March 2024 Reviewed ZWL	30 Sept 2023 Audited ZWL	31 March 2024 Reviewed ZWL	30 Sept 2023 Audited ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	25 850 091 587	29 168 250 732	1 955 567 627	504 078 840
Deferred tax asset	-	-	2 156 769 264	1 018 554 397
	25 850 091 587	29 168 250 732	4 112 336 891	1 522 633 237
Current assets				
Inventories	780 691 932 241	665 504 197 166	91 342 878 114	39 580 604 016
Trade and other receivables	95 207 497 669	226 798 039 727	86 744 193 619	23 309 851 620
Cash and cash equivalents	9 760 370 943	25 814 587 410	9 760 370 943	2 689 649 900
Income tax asset	-	8 360 357 688	-	871 074 748
	885 659 800 853	926 477 181 991	187 847 442 676	66 451 180 284
Total assets	911 509 892 440	955 645 432 723	191 959 779 567	67 973 813 521
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to owners of the parent				
Share capital	2 217 640	2 217 627	338	338
Share premium	19 014 300 988	6 769 657 053	419 458 819	67 458 818
Share option reserve	-	12 435 196 937	-	375 936 001
Retained earnings	755 863 706 800	610 345 087 418	119 153 323 687	40 497 136 594
Total equity	774 880 225 428	629 552 159 035	119 572 782 844	40 940 531 751
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	64 242 670 289	66 634 592 752	-	-
Current liabilities				
Bank overdrafts	15 106 490 075	37 686 147 311	15 106 490 075	3 926 560 620
Trade and other payables	20 539 624 376	46 929 438 545	20 539 624 376	4 889 629 173
Provisions for other liabilities and charges	3 943 315 673	34 787 388,662	3 943 315 673	3 624 535 808
Current income tax liability	30 031 544 416	-	30 031 544 416	-
Dividend payable	2 766 022 183	140 055 706 418	2 766 022 183	14 592 556 169
Total liabilities	72 386 996 723	259 458 680 936	72 386 996 723	27 033 281 770
Total equity and liabilities	911 509 892 440	955 645 432 723	191 959 779 567	67 973 813 521

Statement of Cash Flows As at 31 March 2024

	Inflation Adjusted		Historical Cost	
	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL
Profit before income tax	180 034 927 837	162 143 447 064	109 106 380 222	6 614 302 367
Adjustments for:				
Depreciation	2 184 041 065	1 427 397 803	58 498 964	13 606 699
Net loss on net monetary assets	37 179 434 115	22 744 614 475	-	-
(Profit) on disposal of property, plant and equipment	(1 327 043 150)	(1 569 680 213)	(733 757 815)	(56 566 927)
Non-cash employee benefit-share based payment charge	(254 140 503)	1 638 030 766	(31 936 000)	52 805 500
Finance income	-	(335 499)	-	(10 902)
Finance cost	12 423 672 674	14 018 087 409	3 488 205 195	450 822 350
Working capital changes:				
Increase in inventories	(115 187 735 075)	(14 626 837 189)	(51 762 274 098)	(2 232 573 480)
Decrease/(increase) in trade and other receivables	131 590 542 058	(16 815 760 425)	(63 434 341 999)	(682 169 054)
(Decrease)/increase in trade and other payables	(26 389 814 169)	(2 185 551 968)	15 649 995 203	(46 734 285)
(Decrease)/increase in provision for other liabilities and charges	(30 844 072 990)	(3 514 561 237)	318 779 865	(86 425 025)
Net cash generated from operations	189 409 811 862	163 258 850 985	12 659 549 536	4 027 057 242
Finance income	-	335 499	-	10 902
Finance cost	(12 423 672 674)	(14 018 087 409)	(3 488 205 195)	(450 822 350)
Income tax paid	(8 360 357 689)	(30 634 337 483)	(685 788 828)	(990 783 300)
Net cash generated from operating activities	168 625 781 499	118 606 761 592	8 485 555 513	2 585 462 494
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(1 598 147 044)	(16 253 992 660)	(1 509 987 754)	(529 183 065)
Proceeds from the sale of property, plant and equipment	1 327 073 150	1 569 680 213	733 757 815	56 566 927
Net cash generated from investing activities	(271 073 894)	(14 684 312 447)	(776 229 939)	(472 616 138)
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in borrowings	-	(44 392 712 429)	-	(1 356 915 296)
Dividend paid	(137 289 684 235)	(22 247 428 834)	(11 826 533 987)	(683 393 872)
Proceeds from issuance of shares - share options	63 687 513	309 208 845	8 000 000	10 000 000
Net cash generated (utilised in)/generated from financing activities	(137 225 996 722)	(66 330 932 418)	(11 818 533 987)	(2 030 309 168)
Increase/(decrease) in cash and cash equivalents	31 399 784 777	37 591 516 727	(4 109 208 414)	82 537 188
Cash and cash equivalents at the beginning of the year	(11 871 559 901)	18 656 001 166	(1 236 910 720)	576 723 908
Effects of IAS29	(24 874 344 008)	(35 963 072 796)	-	-
Cash and cash equivalents at the end of the period	(5 346 119 132)	20 284 445 097	(5 346 119 132)	659 261 096

Statement of Changes in Equity - Inflation Adjusted As at 31 March 2024

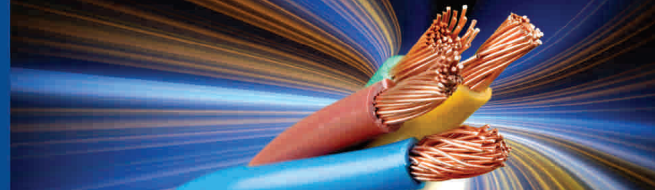
	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 October 2022	2 124 685	5 709 538 352	8 126 022 278	246 803 130 566	260 640 815 880
Total comprehensive income for the period	-	-	-	116 879 551 168	116 879 551 168
Profit for the period	-	-	-	116 879 551 168	116 879 551 168
Other comprehensive income for the period	-	-	-	-	-
Transaction with owners in their capacity as owners					
Share options exercised	62	309 208 783	-	-	309 208 845
Transfer between reserves	-	775 672 799	(775 672 799)	-	-
Share option expense	-	-	1 638 030 766	-	1 638 030 766
Balance at 31 March 2023	2 124 747	6 794 419 934	8 988 380 245	363 682 681 734	379 467 606 659
Balance at 1 October 2023	2 217 627	6 769 657 053	12 435 196 937	610 345 087 418	629 552 159 035
Total comprehensive income for the period	-	-	-	145 518 619 382	145 518 619 382
Profit for the period	-	-	-	145 518 619 382	145 518 619 382
Other comprehensive income for the period	-	-	-	-	-
Transaction with owners in their capacity as owners					
Share options exercised	13	63 687 501	-	-	63 687 514
Transfer between reserves	-	12 180 956 434	(12 180 956 434)	-	-
Share option credit	-	-	(254 240 503)	-	(254 240 503)
Balance at 31 March 2024	2 217 640	19 014 300 988	-	755 863 706 800	774 880 225 428

Statement of Changes in Equity - Historical Cost As at 30 September 2024

	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
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 period	-	-	-	4 986 857 253	4 986 857 253
Profit for the year	-	-	-	4 986 857 253	4 986 857 253
Transactions with owners in	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
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	-	-	52 805 500	-	52 805 500
Balance at 31 March 2023	338	67 458 818	65 995 500	9 200 697 413	9 334 152 069
Balance at 1 October 2023	338	67 458 818	375 936 001	40 497 136 594	40 940 531 751
Total comprehensive income for the period	-	-	-	78 656 187 093	78 656 187 093
Profit for the period	-	-	-	78 656 187 093	78 656 187 093
Other comprehensive income for the period	-	-	-	-	-
Transaction with owners:					
Issue of shares	-	8 000 000	-	-	8 000 000
Share options	-	344 000 001	(344 000 001)	-	-
Share options credit	-	-	(31 936 000)	-	(31 936 000)
Balance at 31 March 2024	338	419 458 819	-	119 153 323 687	119 572 782 844

NOTICE TO SHAREHOLDERS

REVIEWED ABRIDGED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2024



Notes to the Abridged Reviewed Financial Results

For the six months ended 31 March 2024

1 General Information

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

2 Functional currency

In assessing the functional and presentation currency, the directors considered the factors below;

- 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 the requirements of IAS 21.

- On 29 March 2020, The Government of Zimbabwe then issued Statutory Instrument 85 of 2020 which was valid until 30 June 2025 which reintroduced the use of multi-currencies. The cut off date was further extended by Statutory Instrument 218 of 2023 gazetted on 27 October 2023 which extended the multi-currency regime to 2030.

Therefore, the prevailing market conditions for the Company favoured the use of the Zimbabwe Dollars (ZWL) as the functional currency for the six months ended 31 March 2024.

- After the introduction of the multi-currency extension, significant inflationary pressures on the ZWL led to increase levels of USD transactions in the last three months of the period under review. The income statement was dominated by ZWL transactions, but management also noted the growth in cable sales denominated in USD which was assessed as a temporary movement owing to the tight ZWL liquidity and the 2024 Monetary policy statement.

- In light of this increased level of USD transactions, the Directors conducted a thorough assessment of the factors influencing the determination of Company's functional currency. The assessment considered factors such as primary economic activities, currency of transactions, cash flow patterns, the regulatory environment, and long-term stability.

- Taking into account the above, the Directors concluded that the Zimbabwe Dollars (ZWL) is the appropriate functional currency, considering income and expense distribution, regulatory framework, and long-term investment considerations. This conclusion aligns with both regulatory requirements and the economic reality of operating in Zimbabwe.

- The Directors will continue to assess the developments in accordance with IAS 21 to determine whether there will be the need to change the functional currency in the near future.

- The following exchange rates have been used to translate the foreign currency balances to Zimbabwe Dollars for the six months ended 31 March 2024:

Closing exchange rate - USD 1: ZWL 22 055.4738 (2023: ZWL 929.8618)

3 Going concern

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

- The company has no exposure to foreign liabilities.
- The company has stock cover of 3 months in finished goods.
- The company has adequate working capital and facilities from local banks.
- Demand for cable remains strong.

4 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The Public Accountants and Auditors Board concluded in May 2019 on the conditions for applying International Accounting Standard 29 (IAS 29).

" Financial Reporting in Hyperinflation Economies" had been met in Zimbabwe. The Ministry of Finance and Economic Development introduced a blended inflation rate based on a combination of the Zimbabwe dollar and American dollar inflation rates and stopped reporting ZWL inflation and Consumer Price Index (CPI) figures in February 2023. There was need for businesses to estimate the ZWL inflation index to continue complying with IAS 29 requirements. As a result the estimated Consumer Price Index (CPI) for financial reporting purposes from February 2023 was calculated by adjusting the last published CPI based on the monthly movement of the Total Consumption Poverty Line (TCPL).

The indices and adjustment factors used to restate the financial statements at 31 March 2024 are as given below:

	Indices	Conversion factor
CPI as at 31 March 2024	429 219.62	1.000
CPI as at 30 September 2023	44 720.86	9.598
CPI as at 31 March 2023	13 949.99	30.768

5 Independent external auditor's statement

These abridged inflation adjusted financial statements for the six months ended 31 March 2024 have been reviewed by Grant Thornton Chartered Accountants (Zimbabwe) and an unmodified review conclusion has been issued on the interim inflation adjusted financial statements. The review conclusion has been made available to the Company's Management and Those Charged with Governance and is available for inspection at the Company's registered office.

The engagement partner on the review resulting in the auditor's review conclusion is Edmore Chimhova (PAAB Number 0470).

6 Related party transactions

	Inflation Adjusted		Historical Cost	
	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL
Purchases of goods				
CBI Electric African Cables - A Division of ATC (Proprietary) Limited	15 079 384	4 971 582 785	15 079 384	161 580 517
Metal Fabricators of Zambia Plc (Zamefa)	55 056 427 482	-	29 642 280 007	-
	55 071 506 866	4 971 582 785	29 657 359 391	161,580,517
Sale of goods				
Metal Fabricators of Zambia plc ("Zamefa")	-	59 657 890	-	1 915 433
	-	59 657 890	-	1 915 433
Key management remuneration:				
Key management includes directors (executive and non-executive) and executive managers (members of the executive committee)				
Salaries and short term benefits	29 618 746 787	21 532 022 852	8 548 114 061	700 421 699
Share options credit	(254 240 503)	1 638 030 766	(31 936 000)	52 805 500
Directors' emoluments:				
-Fees	2 685 663 404	1 082 711 545	558 298 173	35 200 000
	32 050 169 688	24252 765 163	9074 476 234	788 427 199

Notes to the Abridged Reviewed Financial Results (continued)

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	
	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL
Revenue is analysed as follows:				
Revenue from customers domiciled in Zimbabwe	615 248 506 918	429 603 404 871	192 865 043 485	13 956 840 558
Revenue from external customers	70 554 333 854	53 591 231 833	20 002 083 513	1 742 954 609
	685 802 840 772	483 194 636 704	212 867 126 998	15 699 795 167

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

	Inflation Adjusted		Historical Cost	
	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL
Retail sector	130 170 494 474	92 113 108 134	22 571 847 839	2 986 157 726

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

	Inflation Adjusted		Historical Cost	
	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL
Revenue from customers	685 802 840 772	483 194 636 704	212 867 126 998	15 699 795 167
Profit before interest and taxation	229 638 034 626	198 905 813 449	112 594 585 417	7 065 113 815
Finance income	-	335 499	-	10 902
Finance cost	12 423 672 674	14 018 087 409	3 488 205 195	450 822 350
Income tax expense	34 516 308 455	45 263 895 896	30 450 193 129	1 627 445 114
Total assets	911 509 892 440	955 645 432 723	191 959 779 567	67 973 813 521
Liabilities	72 386 996 723	259 458 680 936	72 386 996 723	27 033 281 770

8 Capital commitments

The company had no significant capital commitments authorised by the directors or contracted for at the reporting period (2023: ZWL nil)

9 Property plant and equipment

	Inflation Adjusted		Historical Cost	
	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL	31 March 2024 Reviewed ZWL	31 March 2023 Reviewed ZWL
Capital expenditure	1 598 147 044	16 253 992 660	1 509 987 754	529 183 065
Depreciation charge	2 184 041 065	1 427 397 803	58 498 964	13 606 699

10 Events after reporting date

On the 5th of April 2024, the Government of Zimbabwe issued Statutory instrument 60 of 2024, introducing a new currency, the Zimbabwe Gold (ZiG), and replacing the Zimbabwe dollar (ZWL). According to the statutory instrument, for accounting and other purposes (including discharge of financial or contractual obligations), all assets and liabilities that were, immediately before the effective date, valued and expressed in Zimbabwe dollars, were deemed to be valued in ZiG by applying an exchange rate of ZWL 2 498.7242:1 ZiG as at 5 April 2024.

Prior to its replacement by ZiG, ZWL was the functional and presentation currency of the Company. The replacement of ZWL by ZiG imply that the Company will have to reassess its functional currency and choose a new presentation currency going forward. Management has accounted for the replacement of ZWL by ZiG as a non-adjusting event after the reporting period.

Commentary and overview of results

Overview

Volumes

Sales volumes for the half year were 10% above last year comparative figures for both domestic and export volumes. Most domestic sectors had a steady growth.

Turnover in inflation adjusted numbers was ZWL 686 billion against ZWL 483 billion of last year and this was 42% increase whilst in historical cost terms turnover was ZWL 212.9 billion versus ZWL 15.7 billion showing a growth of 1 256%.

Profitability

Operating profit in inflation adjusted figures was 16% above last period which was less than turnover increase. The shift towards aluminium from copper in terms of sales mix resulted in lower profitability. Inflation accelerated in the period January 2024 to March 2024. The ZWL weakened by 2 562% between the period January 2024 to March 2024 on the official market.

Statement of Financial Position

The Company continued to hedge against inflation by having adequate stocking of finished goods. Accounts receivable of ZWL 86 billion mainly relate to export and local mining customers. Trade and other payables of \$20 billion relate to local suppliers. Borrowings of ZWL 15 billion were utilised to fund working capital.

Outlook

Demand for cable remains firm and the Company remains optimistic in achieving budgeted sales volumes. The newly introduced ZiG currency is expected to bring more stability in the economy.

Dividend

Dividend will be considered at year end.

By order of Board
9 May 2024

C Kangara
Company Secretary

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Grant Thornton

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To the members of CAFCA Limited

We have reviewed the accompanying inflation adjusted statement of financial position of CAFCA Limited as at 31 March 2024 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibilities of Management and Those Charged with Governance for the interim financial information

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard (IAS)- 34 *Interim Financial Reporting* and the Company's accounting policies, this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of interim financial information that are free of material misstatement whether due to fraud or error.

Our responsibility is to express a conclusion on this interim financial information based on our review.

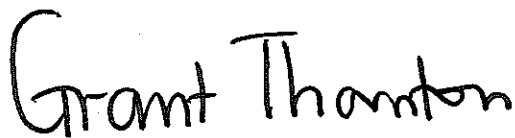
Scope of Review

We conducted our review in accordance with 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.

Conclusion

Based on our review, there is nothing that has come to our attention which cause us to believe that the accompanying interim financial statements do not present fairly, in all material respects the financial position of CAFCA Limited as at 31 March 2024, and of its financial performance and its cash flows for the six months then ended in accordance with International Accounting Standard (IAS) 34- Interim Financial Reporting.

The engagement partner on the review engagement resulting in this independent review conclusion is Edmore Chimhowa.



Edmore Chimhowa

Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

15 May 2024

HARARE