Cafca Limited
Share Code: CAC
ISIN Code: ZW0009011942

Notice To Shareholders

Audited Abridged Financial Results for the full year ended 30 September 2022

All figures are in Zimbabwean Dollar (ZWL$)

	INFLATION ADJUSTED		HISTORICAL COST	
	30 Sept 2022	**30 Sept 2021**	**30 Sept 2022**	**30 Sept 2021**
Abridged Statement of Profit or Loss and other Comprehensive Income for the year ended 30 September 2022	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Revenue	21,333,450,596	15,040,039,210	12,217,963,722	3,376,708,926
Operating profit	6,602,732,581	2,302,481,800	5,685,501,931	1,119,588,417
Finance income	162,628	110,899	49,844	28,272
Finance cost	(1,001,959,316)	(396,644,229)	(775,817,408)	(84,129,253)
Monetary loss	(1,750,205,004)	(1,302,092,814)	-	-
Profit before income tax	3,850,780,889	603,855,656	4,909,734,367	1,035,487,436
Income tax expense	(1,631,327,160)	(1,601,302,732)	(1,058,365,392)	(273,111,141)
Profit/(loss)for the year	2,219,453,729	(997,447,076)	3,851,368,975	762,376,295
Other comprehensive income:	-	-		
Total comprehensive income/(loss) for the year	2,219,453,729	(997,447,076)	3,851,368,975	762,376,295
Issued Ordinary Shares (weighted) (number)	33,589,000	33,389,000	33,589,000	33,389,000
Basic Earnings/(Loss) per share (cents)	6,607.68	(2,987.35)	11,466.16	2,283.31
Diluted Earnings/(Loss) per share(number)	33,989,000	33,989,000	33,989,000	33,989,000
Diluted Earnings/(Loss) per share (cents)	6,529.92	(2,934.62)	11,331.22	2,243.01
Headline earnings per share(number)	33,589,000	33,589,000	33,589,000	33,389,000
Headline Earnings/(Loss) per share(cents)	6,589.65	(3,007.48	11,449.03	2,282.80

Abridged statement of Financial Position
As at 30 September 2022

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

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

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

STATEMENT OF CHANGES IN EQUITY-HISTORICAL COST

	Share Capital	Share Premium	Share Option reserve	Retained earnings	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 1 October 2020	333	1,291,321	21,002,626	372,641,893	394,936,173
Transaction with owners:					
Issue of shares	1	26,875	-	-	26,876

Share options exercised	-	6,530,624	(6,530,624)	-	-
Share options	-	-	46,476,000		46,476,000
Total comprehensive income for the year	-	-	-	762,376,295	762,376,295
Net profit for the year	-	-	-	762,376,295	762,376,295
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 September 2021	**334**	**7,848,820**	**60,948,002**	**1,135,018,188**	**1,203,815,344**
Balance at 1 October 2021	334	7,848,820	60,002,626	1,135,018,188	1,203,815,344
Transaction with owners:					
Issue of shares	2	9,999,998	-	-	10,000,000
Shares exercised	-	14,400,003	(14,400,003)	-	-
Share options	-	-	(8,148,000)	-	(8,148,000)
Dividend declared	-	-	-	(772,547,000)	(772,547,000)
Total comprehensive income for the year	-	-	-	3,851,368,975	3,851,368,975
Profit for the period	-	-	-	3,851,368,975	3,851,368,975
Other comprehensive income for the period	-	-	-	-	-
Balance at 30 September 2022	**336**	**32,248,821**	**38,399,999**	**4,213,840,163**	**4,284,489,319**

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

	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPT 22	30 SEPT 2021	30 SEPT 2022	30 SEPT 2021
	ZWL	ZWL	ZWL	ZWL
Profit before income tax	3,850,780,889	603,855,656	4,909,734,367	1,035,487,436
Depreciation	75,943,718	71,834,788	2,151,651	580,323
Net loss on monetary assets	1,750,205,004	1,302,092,814	-	-
Non-cash employee share based payment charge	34,230,640	117,417,020	(8,148,000)	46,476,000
Profit on sale of property plant, and equipment	(8,046,256)	(8,983,044)	(7,644,902)	(2,164,258)
Finance income	(162,628)	(110,899)	(49,844)	(28,272)
Finance cost	1,001,959,316	396,644,229	775,817,408	84,129,253
Working capital changes:				
(Increase)/Decrease in inventories	(3,952,572,792)	1,096,170,776	(4,388,462,477)	(313,168,069)
Increase in trade and other receivables	(708,397,108)	(777,210,926)	(1,697,387,114)	(271,947,319
Increase in trade and other payables	2,552,215	100,506,754	349,503,129	59,521,600
Increase/(decrease) in provision for other liabilities	277,029,189	(5,527,844)	471,950,332	22,686,384
Cash generated from operations	2,323,522,187	2,896,689,324	407,464,990	398,919,549
Tax paid	(1,175,299,664)	(1,289,458,643)	(820,832,031)	(300,059,790)
Finance income	162,628	110,899	49,844	28,272
Finance cost	(1,001,959,316)	(396,644,229)	(775,817,253)	(84,129,253)
Net cash generated from operating activities	146,425,835	1,210,697,351	(1,189,134,605)	14,758,778
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property ,plant and equipment	73,957,049)	-	(32,056,968)	-
Proceeds from sale of property,plant and equipment	8,046,256	8,983,044	7,644,902	2,164,258
Net cash (utilised in)/generated from investing activities	(65,910,793)	8,893,044	(24,392,066)	2,164,258
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	33,803,719	143,917	10,000,000	26,876
Proceeds from borrowings	1,178,162,603	(21,870,212)	1,542,707,873	48,549,479
Cash generated from/(utilised in) financing activity	1,211,966,322	(21,726,295)	1,552,707,873	48,576,355
Increase in cash and cash equivalents	1,292,481,364	1,197,954,100	339,181,202	65,499,391
Cash and cash equivalents at the beginning of the year	903,617,507	991,821,200	237,542,706	172,043,315
Effects of inflation on cash and cash equivalents	(1,619,374,963)	(1,286,157,793)	-	-
Cash and cash equivalents at the end of the year	576,723,907	903,617,507	576,723,908	237,542,706

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
For the year ended 30 September 2022

1.CAFCA Limited (the "Company") manufactures and supplies cables for transmission and distribution of energy and information.It is a public limited company incorporated in Zimbabwe.The Company has its primary listing on the Zimbabwe Stock Exchange and secondary listing on the Johannesburg Stock Exchange.

Basis of preparation

2.In February 2019 the Government of Zimbabwe issued Statutory Instrument 33 of 2019,which prescribed parity between the United States Doller(USD) and the local currency as at and up to effective date of 22 February 2019 in line with the requirements of the law.For 2019 and subsequent financial years,the directors and management determined that the Company's functional currency is ZWL based on requirements of IAS 21.The annual financial statements for the year ended 30 September 2022 are therefore presented in ZWL being the currency of 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 out in place to run parallel to the Foreign Currency Auction System.

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

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

i.Closing exchange rate- USD1:ZWL 621.8922(2021:87.6653)

.

3.Going Concern

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

a.The Company has no exposure to foreign liabilities.

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

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

d.Demand for cable remains strong.

4.Inflation adjustment

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

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

5.External Auditors statement

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

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

6.Related party transactions

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

7.**Segmentation 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.

Revenue analysis

Revenue from customers domiciled in Zimbabwe	19,577,551,976	13,494,975,140	11,086,928,064	3,030,837,119

Revenue from external customers	1,755,898,620	1,545,064,070	1,131,035,658	345,871,807
	21,333,450,596	**15,040,039,210**	**12,217,963,722**	**3,376,708,926**

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

	INFLATION ADJUSTED		HISTORICAL COST	
	30 SEPT 2022	**30 SEPT 2021**	**30 SEPT 2022**	**30 SEPT 2021**
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
Retail sector	2,345,219,650	2,062,167,631	1,213,133,216	69,135,774

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

Revenue from customers	21,333,450,596	15,040,039,210	12,217,963,722	3,376,708,926
Profit before interest and taxation	6,602,732,581	2,302,481,800	5,685,501,931	1,119,588,417
Net finance income	162,628	110,899	49,844	28,272
Finance cost	(1,001,959,316)	(396,644,229)	(775,817,408)	(84,129,253)
Income tax expense	(1,631,327,160)	(1,601,302,732)	(1,058,365,392)	(273,111,141)
Total assets	12,930,026,772	8,617,710,155	8,159,303,241	1,592,644,912
Liabilities	4,872,684,341	2,075,309,037	3,874,813,922	388,829,568

8.Capital commitments

The Company had no significant capital commitments authorised or contracted for at the reporting period (2021:ZWL$Nil)

	INFLATION ADJUSTED		HISTORICAL COST	
	30 Sept 2022	**30 Sept 2021**	**30 Sept 2022**	**30 Sept 2021**
9.Property plant and equipment				
Capital expenditure	73,957,049	-	32,036,968	-
Depreciation	75,943,718	71,834,788	2,151,651	580,323

OMMENTARY AND OVERVIEW OF RESULTS

Overview

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

Profitability

In historical ZWL terms turnover increased 262% from ZWL3.3 billion to ZWL12.2 billion roughly in line with inflation.

Operating profit at ZWL5.7 billion was 408% up on the previous year mainly due to the inflation hedges put in place.

Interest at ZWL776 million was a significant cost and well above the prior year with borrowings peaking at ZWL1.672 billion at year end.

Earnings per share grew 402% year on year.

Financial Position

Inventories increased by ZWL4.4 billion by investing the after tax profits of ZWL3.9 billion and the balance coming from borrowings.

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

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

Dividend

A dividend of ZWL770 million being ZWL23 per share has been proposed payable before the annual Christmas closedown of the company.

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

- Profitability, both current and future

- Cash flow, both current and future
- No borrowings

DIVIDEND DECLARATION NOTICE

Notice is hereby given that the board declared final dividend of ZWL23.00 per share for the year ended 30 September 2022 payable in respect of all the ordinary shares of the company. The dividend will be payable in full to all shareholders of the company registered at the close of business on 9 December 2022

The payment date of the dividend will be advised once foreign currency has been secured. A shareholders tax of 10% will be withheld in Zimbabwe.

A further announcement will be made on the rate of exchange of the South African rand.

Zimbabwe is the country of source of income, the dividend is regarded as 'foreign' for the purposes of South African dividend tax.

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

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 December 2022 and Friday, 9 December 2022, both dates inclusive.

Shareholders are requested to submit/update their mailing and banking details with the Transfer Secretaries to enable the payment of their dividends on the following contacts.

Zimbabwean Transfer Secretaries
First Transfer Secretaries (Pvt) Ltd
1 Armagh Avenue
Eastlea
Harare
Email:info@fts-net.com and ftsgen@fts-net.com
Telephone: +263 4 782869/72 or 776628/49/59/69/74

South African Transfer Secretaries
Computershare Investor Services
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196 South Africa
Tel: +27 11 688 5248

Email:Charmaine.Jacobs@computershare.co.za

By order of Board
C Kangara
Company Secretary
17 November 2022