Cafca Limited
Share Code: CAC
ISIN Code: ZW0009011942

Notice To Shareholders

Reviewed Abridged Financial Results for the six months ended 31 March 2022
All figures are in Zimbabwean Dollar(ZWL)

	INFLATION ADJUSTED		HISTORICAL COST	
	REVIEWED	REVIEWED	REVIEWED	REVIEWED
	31 MARCH 2022	31 MARCH 2021	31 MARCH 2022	31 MARCH 2021
For six months ended 31 March 2022	ZWL	ZWL	ZWL	ZWL
STATEMENT OF COMPREHENSIVE INCOME				
Revenue	3,339,486,819	2,316,741,348	2,886,217,693	1,234,211,579
Operating profit	972,162,509	602,141,203	888,993,383	325,031,871
Finance income	60,968	-	49,844	-
Finance cost	(74,441,405)	(65,638,557)	(64,975,901)	(35,026,247)
Monetary gain	(187,338,252)	(272,636,153)	-	-
Profit before income tax	710,443,820	263,866,493	824,067,326	290,005,624
Income tax expense	(197,849,552)	(148,649,359)	(241,498,612)	(105,801,658)
Profit for the period	512,594,733	115,217,134	582,568,714	184,203,966
Other comprehensive income:	-	-		
Total comprehensive income for the period	512,594,733	115,217,134	582,568,714	184,203,9662
Issued Ordinary Shares (weighted) (number)	33,589,000	33,389,000	32,589,000	33,389,000
Basic Earnings per share (cents)	1,526.63	345.08	1,734.40	551.69
Diluted Earnings per share(number)	34,296,500	33,459,000	34,296,500	33,459,000
Diluted Earnings per share (cents)	1,494.60	338.98	1,728.87	541.95
Headline earnings per share(number)	33,589,000	33,389,000	32,589,000	33,389,000
Headline earnings per share(cents)	1,526.08	345.08	1,734.40	551.69

STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	REVIEWED 31 MARCH 2022	AUDITED 30 SEPT 2021	REVIEWED 31 MARCH 2022	AUDITED 30 SEPT 2021
ASSETS	ZWL	ZWL	ZWL	ZWL
Non-Current Assets				
Property ,plant and equipment	183,734,051	197,199,339	2,843,083	3,183,826
Deferred tax asset	-	-	26,386,864	43,203,784
Current assets				
Inventories	3,023,871,175	2,152,520,348	1,789,039,822	929,834,973
Trade and other trade receivables	754,267,963	542,262,685	741,078,834	378,780,378
Cash and cash equivalents	90,480,834	338,762,568	90,480,834	237,542,707
Total Assets	4,052,354,138	3,230,744,940	2,649,829,537	1,592,645,668
Equity attributable to owners of the parent				
Share Capital	24,624	24,621	337	334
Share premium	89,640,170	47,921,058	39,928,817	7,848,820
Share option reserve	86,918,689	86,918,689	38,400,000	60,948,000
Retained earnings	2,830,450,583	2,317,855,849	1,717,587,059	1,135,018,345
Total Equity	3,007,034,066	2,452,720,217	1,795,916,213	1,203,815,499
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	196,676,649	223,509,252	-	-
Current liabilities				
Trade and other payables	152,242,378	176,457,634	152,242,378	123,733,341
Provisions and other liabilities	77,716,087	99,135,993	82,926,263	69,514,858
Curcrent income tax liabilities	173,381,381	93,515,803	173,381,220	65,573,942
Borrowings	445,303,462	183,406,041	445,303,462	130,008,026
Total liabilities	1,045,319,954	778,024,723	853,913,323	338,830,169
Total equity and liabilities	4,052,354,023	3,230,744,940	2,649,829,537	1,592,645,668

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STATEMENT OF CHANGES IN EQUITY-INLATION ADJUSTED

	Share Capital	Share Premium	Share Option reserve	Retained earnings	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 1 October 2020	24,619	28,424,555	62,342,078	2,691,794,453	2,782,585,705
Transaction with owners:					
Issue of shares	-	53,950	-	-	53,950
Share options	-	-	44,019,167	-	44,019,167
Shares exercised	2	19,442,554	(19,442,556)	-	-
Total comprehensive income for the year	-	-	-	(373,938,604)	(373,938,604)
Net profit for the year	-	-	-	(373,938,604)	(373,938,604)
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 September 2021	24,621	47,921,058	86,918,689	2,317,855,849	2,452,720,217
Balance at 1 October 2021	24,621	47,921,058	86,918,689	2,317,855,849	2,452,720,217
Transaction with owners:					
Issue of shares	-	12,672,878	-	-	12,672,878
Share options	3	29,046,234	-	-	29,046,237
Total comprehensive income for the period	-	-	-	512,594,733	512,594,733
Profit for the period	-	-	-	512,594,733	512,594,733
Other comprehensive income for the period	-	-	-	-	-
Balance at 31 March 2022	24,624	89,640,170	86,918,689	2,830,450,583	3,007,034,066

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	21,002,625	372,642,193	394,936,473
Transaction with owners:					
Issue of shares	-	26,875	-	-	26,875
Share options	1	6,530,624	(6,530,626)	-	-
Shares exercised		-	46,476,000	-	46,476,000
Total comprehensive income for the year	-	-	-	762,376,152	762,376,152
Net profit for the year	-	-	-	762,376,152	762,376,152
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 September 2021	334	7,848,820	60,948,000	1,135,018,345	1,203,815,499
Balance at 1 October 2021	334	7,848,323	60,948,000	1,135,018,345	1,203,815,499
Transaction with owners:					

Issue of shares	-	10,000,000	-	-	10,000,000
Share options	3	22,079,997	(22,548,000)	-	(468,000)
Total comprehensive income for the period	-	-	-	582,568,714	582,568,714
Profit for the period	-	-	-	582,568,714	582,568,714
Other comprehensive income for the period	-	-	-	-	-
Balance at 31 March 2022	337	39,928,817	38,400,000	1,717,587,059	1,795,916,213

STATEMENT OF CASH FLOWS

	31 MARCH 2022 REVIEWED ZWL	31 MARCH 2021 REVIEWED ZWL	31 MARCH 2022 REVIEWED ZWL	31 MARCH 2021 REVIEWED ZWL
Profit before income tax	710,443,820	263,866,493	824,067,326	290,005,624
Depreciation	13,465,286	14,543,192	340,601	290,266
Monetary loss	187,338,252	272,636,153	-	-
Non-cash employee share based payment (credit)/charge	(224,309)	58,348,864	(468,000)	32,026,247
Finance income	(60,968)	-	(49,844)	-
Finance cost	74,441,405	65,638,557	64,975,901	35,026,247
Working capital changes:				
Increase in inventories	(871,350,827)	(182,336,423)	(859,104,849)	(225,923,008)
Increase in trade and other receivables	(212,005,278)	(61,273,725)	(362,298,557)	(71,065,842)
Increase in trade and other payables	(24,215,256)	(70,604,803)	28,509,037	(24,735,681)
Decrease in provision for other liabilities and charges	(21,419,906)	(41,636,200)	13,471,405	(12,332,925)
Tax paid	(151,437,747)	(195,725,548)	(116,874,272)	(98,721,098)
Finance income	60,968	-	49,844	-
Finance cost	(74,441,405)	(65,638,557)	(64,975,901)	(35,026,247)
Net cash (utilised in)/generated from operating activities	(369,405,964)	57,818,004	(472,357,308)	(109,686,664)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property ,plant and equipment	-	-	-	-
Proceeds from sale of property,plant and equipment	-	-	-	-
Net cash utilised in investing activities	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	259,897,421	41,425,866	315,295,436	46,515,969
Share options	12,672,878	53,950	10,000,000	26,875
(Decrease)/increase in cash and cash equivalents	(96,835,666)	99,297,819	(147,061,873)	(63,143,820)
Cash and cash equivalents at the beginning of the year	338,762,568	371,829,778	237,542,707	172,043,312
Effects of IAS29 on cash and cash equivalents	(151,446,068)	(283,058,304)	-	-
Cash and cash equivalents at the end of the period	90,480,834	188,069,293	90,480,834	108,899,492

NOTES THE FINANCIAL STATEMENTS
For the six months ended 31 March 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.The Company's six months financial statements have been prepared in accordance with International Financial reporting Standards ("IFRS") and interpretations issued by ("IFRS") and in the manner required by the Companies and Other Business Entities Act(Chapter 24:31) except for the non-compliance with International Accounting Standard ("IAS 21"),The Effect of Changes in Foreign Exchange Rate explained in note 2.1.Hyperinflationary Economies.The financial statements are presented in Zimbabwe Dollars(ZWL) and values are rounded off to the nearest dollar,except where otherwise indicated.

2.1 Statement of Compliance

The 2021 comparative financial statements have an unquantifiable mis-statement arising from exchange rates used as there is conflict between requirements of SI 33 of 2019 and IAS 21.

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 loans and overdraft facilities to finance capital requirements.
-Covid 19 is diminishing and critical raw materials suppliers are shipping/supplying.
-Demand for cable has remained high.

4.Hyperinflation

The Public Accountants and Auditors Board issued pronouncement 01/2019 on the application of International Accounting Standard ("IAS 29") 'Financial reporting in Hyperinflationary economies' in Zimbabwe.The pronouncement requires that companies that prepare and present financial statements for financial periods ended on or after 1 July 2019 to apply requirements of 1AS 29 'Financial reporting in Hyperinflationary economies'.
Appropriate adjustments and reclassifications, including restatements for changes and general purchasing power of the Zimbabwe dollar and the purposes of fair presentation in accordance with IAS 29 and have been made in these financial statements to the historical cost financial information.The sources of the price indices used were:
Zimbabwe Statistical Office

	Indices	Conversion factor
CPI as at 31 March 2022	4 766.10	1.000
CPI as at 30 September 2021	3 342.02	1.426
CPI as at 31 March 2021	2 759.83	1.727

5.Independenet External Auditor's statement

The abridged financial statements have been reviewed by Grant Thornton Chartered Accountants(Zimbabwe).An adverse opinion was issued due to non-compliance with International Accounting Standard 21"The Effect of Changes in Foreign Exchange rates". During the prior and current financial period ended 31 March 2022, the foreign currency denominated transactions and balances of the company were translated into ZWL using the interbank rates/foreign currency auction rates which were not considered appropriate spot rates for translations as required by IAS 21 and its consequential effects on the hyperinflationary adjustments made in terms of International Accounting Standard (IAS)29-Financial Reporting in Hyperinflationary Economies.
The review conclusion on the abridged interim financial information for six months ended 31 March 2022 is available on available on the websites of the ZSE and the Company or for inspection at the Company's registered office.

The engagement partner responsible is Edmore Chimhowa(Public Practice Certificate Number 0470).

6.Related party transactions

	INFLATION ADJUSTED		HOSTORICAL COST	
	REVIEWED 31 MARCH 2022 ZWL	REVEIWED 31 MARCH 2021 ZWL	REVIEWED 31 MARCH 2022 ZWL	REVIEWED 31 MARCH 2021 ZWL
Purchases during the period from the holding company:				
CBI-Electric African Cables-A Division of ATC(Pty) Limited	-	43,601,422	-	22,715,431
Metal Fabricators of Zambia Plc(Zamefa)	302,467,119	26,536,016	255,473,745	14,258,546
Key management remuneration:				
Key management includes directors(executive and non-executive) and members of the executive committee				
Salaries and short term benefits	105,395,161	74,871,395	91,425,430	39,792,481
Share options charge	(224,309)	58,348,864	(468,000)	32,796,000
Director' emoluments				
-Fees	19,245,523	5,142,091	17,150,000	2,725,180
Total	**124,416,375**	**138,362,350**	**108,107,430**	**75,313,481**

7.Segmentation information

The 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 Zambia,Malawi and Mozambique.

Revenue analysis

Revenue from customers domiciled in Zimbabwe	3,143,512,747	2,067,263,362	2,718,650,181	1,099,111,689
Revenue from external customers	195,974,072	249,477,986	167,567,512	135,099,890
	3,339,486,819	**2,316,741,348**	**2,886,217,693**	**1,234,211,579**

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

INFLATION ADJUSTED **HISTORICAL COST**

	Reviewed	Unaudited	Reviewed	Unaudited
	31 March 2022	**31 March 2021**	**31 March 2022**	**31 March 2021**
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
Retail	451,706,447	360,345,979	390,355,078	190,939,460

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

Revenue from customers	3,339,486,819	2,316,741,348	2,886,217,693	1,234,211,579
Profit before interest and taxation	972,162,509	602,141,203	888,993,383	325,031,871
Net finance income	60,948	-	49,844	-
Finance cost	74,441,405	65,638,557	64,975,901	35,026,247
Income tax expense	197,849,087	148,649,359	241,498,612	105,801,658

	INFLATION ADJUSTED		**HISTORICAL COST**	
	Reviewed	**Audited**	**Reviewed**	**Audited**
	31 March 2022	**30 Sept 2021**	**31 March 2022**	**30 Sept 2021**
Total assets	4,052,354,023	3,230,744,940	2,649,829,537	1,592,645,668
Liabilities	1,045,319,958	778,024,723	853,913,324	338,830,168

8.Capital commitments

The Company had no significant capital commitments authorised by the directors or contracted for at the reporting period.	36,682,329	-	36,682,329	-

9.Property plant and equipment

Capital expenditure	-	-	-	-
Depreciation	13,465,286	14,543,192	340,601	290,266

COMMENTARY AND OVERVIEW OF RESULTS

VOLUMES

Volumes for the half year were 1199 tonnes, an increase of 2% over the prior year comparative period of 1175 tonnes. Volumes were adversely affected by the delay in getting regulatory approval to extend our barter deal with the Zimbabwe Electricity Transmission and Distribution Company and exchange control delays in getting paid by our Malawi customers which affected further export sales.

We are confident that we will pick up the volume shortfall against budget in the second six months of the year.

PROFITABILITY

Pretax profit in historical terms for the six month period was ZWL$824 million against the prior year comparative period of ZWL$290 million an increase of 184%.

Inflation adjusted pretax profit reflected an increase of 169% year on year.

STATEMENT OF FINANCIAL POSITION

Borrowings have increased from ZWL$130 million to ZWL$445 million to finance inventories which have moved from ZWL$930 million to ZWL$1,789 billion.

In historical cost terms the value of the company has moved to ZWL$1,796 billion whilst in inflation adjusted terms to ZWL$3,007 billion.

OUTLOOK

Exchange rate volatility is a cause for concern, but the upside of which is increased economic activity as consumers invest to hedge their savings. We are therefore forecasting an increase in volume in the second half of the year over the first half.

DIVIDEND

Directors will be considering a final dividend to shareholders at the year end.

By order of Board

C Kangara
Company Secretary
18 May 2022

Directors: H.P. Mkushi (Chairman) R.N. Webster (Managing)
E.T.Z Chidzonga A. Mabena S.E Mangwengwende G.J.H Steyn T.A Taylor