

Cafca Limited  
Share Code: CAC  
ISIN Code: ZW0009011942

Notice To Shareholders

Audited Abridged Financial Results for the full year ended 30 September 2023

All figures are in Zimbabwean Dollar (ZWL\$)

Abridged Statement of Profit or Loss and other Comprehensive Income for the year ended 30 September 2023	INFLATION ADJUSTED		HISTORICAL COST	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	ZWL	ZWL	ZWL	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)	(775,517,408)
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:	-	-		
Total comprehensive income for the year	51,346,476,847	7,807,389,454	50,875,852,603	3,851,368,974
Issued Ordinary Shares (weighted) (number)	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 (number)	33,989,000	33,989,000	33,989,000	33,989,000
Diluted Earnings per share (cents)	151,068	22,970	149,683	11,331
Headline earnings per share (number)	33,789,000	33,589,000	33,789,000	33,389,000
Headline Earnings per share (cents)	151,962	23,244	150,569	11,466
	US\$ cents	ZWL	US\$ cents	ZWL
Dividend per share	7.90	80.91	7.90	23.00

**Abridged statement of Financial Position**  
**As at 30 September 2023**

	30 SEPT 2023	30 SEPT 2022	30 SEPT 2023	30 SEPT 2022
	ZWL	ZWL	ZWL	ZWL
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property ,plant and equipment	3,039,071,724	1,843,363,765	504,078,840	33,068,548
Deferred tax asset	-	-	1,018,554,397	154,945,844
<b>Current assets</b>				
Inventories	69,339,605,120	34,081,763,765	39,540,601,016	5,318,397,448
Trade and other trade 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	-
<b>Total Assets</b>	<b>99,569,735,581</b>	<b>45,484,054,654</b>	<b>67,973,813,521</b>	<b>8,159,303,239</b>
<b>Share capital and reserves</b>				
Share Capital	291,057	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
<b>Total Equity</b>	<b>65,593,723,219</b>	<b>28,343,375,441</b>	<b>40,940,531,751</b>	<b>4,284,489,316</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred income tax liabilities	6,942,730,592	3,719,661,144	-	-
<b>Current liabilities</b>				
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 liabilities	-	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
<b>Total liabilities</b>	<b>33,926,012,362</b>	<b>17,140,679,213</b>	<b>27,033,281,770</b>	<b>3,874,813,923</b>
<b>Total equity and liabilities</b>	<b>99,569,735,581</b>	<b>45,484,054,654</b>	<b>67,979,813,521</b>	<b>8,159,303,239</b>

**Abridged Statement of Changes in Equity-Inflation adjusted  
For the year ended 30 September 2023**

	Share Capital	Share Premium	Share Option reserve	Retained earnings	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
<b>Balance at 1 October 2021</b>	231,043	449,650,827	815,571,695	21,748,801,958	23,014,255,523
Transaction with owners:					
Share options exercised	7	118,911,595	-	-	118,911,602
Share options 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)
<b>Total comprehensive income for the year</b>	-	-	-	7,807,389,454	7,807,389,454
Loss for the year	-	-	-	7,807,389,454	7,807,389,454
Other comprehensive income for the year	-	-	-	-	-
<b>Balance at 30 September 2022</b>	<b>231,050</b>	<b>620,883,526</b>	<b>883,663,977</b>	<b>26,838,596,888</b>	<b>28,343,375,441</b>
<b>Balance at 1 October 2022</b>	231,050	620,883,526	883,663,977	26,838,596,888	28,343,375,441
Transaction with 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)
Total comprehensive income for the year	-	-	-	51,346,746,847	51,346,476,847
Profit for the period	-	-	-	51,346,476,847	51,346,476,847
Other comprehensive income for the year	-	-	-	-	-
<b>Balance at 30 September 2023</b>	<b>231,057</b>	<b>705,337,921</b>	<b>1,295,636,675</b>	<b>63,592,517,566</b>	<b>65,593,723,219</b>

**STATEMENT OF CHANGES IN EQUITY-HISTORICAL COST**

	Share Capital	Share Premium	Share Option reserve	Retained earnings	Total
	ZWL	ZWL	ZWL	ZWL	ZWL
<b>Balance at 1 October 2021</b>	334	7,848,820	60,948,002	1,135,018,186	1,203,815,342
Transaction with owners:					
Share options exercised	2	9,999,998	-	-	10,000,000

Transfers between reserves	-	14,400,003	(14,400,003)	-	-
Share options expense	-	-	(8,148,000)		(8,148,000)
Dividend declared	-	-	-	(772,547,000)	(772,547,000)
<b>Total comprehensive income for the year</b>	-	-	-	3,851,368,974	3,851,368,974
Net profit for the year	-	-	-	3,851,368,974	3,851,368,974
Other comprehensive income for the year	-	-	-	-	-
<b>Balance at 30 September 2022</b>	<b>336</b>	<b>32,248,821</b>	<b>38,399,999</b>	<b>4,213,840,160</b>	<b>4,284,489,316</b>
<b>Balance at 1 October 2022</b>	<b>336</b>	<b>32,248,821</b>	<b>38,399,999</b>	<b>4,213,840,160</b>	<b>4,284,489,316</b>
Transaction with owners:					
Share option 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)
Total comprehensive income for the year	-	-	-	50,875,852,603	50,875,852,603
Profit for the period	-	-	-	50,875,852,603	50,875,852,603
Other comprehensive income for the period	-	-	-	-	-
<b>Balance at 30 September 2023</b>	<b>338</b>	<b>67,458,818</b>	<b>375,936,001</b>	<b>40,497,136,594</b>	<b>40,940,531,751</b>

**Abridged Statement of Cash Flows for the year ended 30 September 2023**

	INFLATION ADJUSTED		HISTORICAL COST		
	30 SEPT 23	30 SEPT 2022	30 SEPT 2023	30 SEPT 2022	
	ZWL	ZWL	ZWL	ZWL	
Profit before income tax	63,358,937,171	13,545,921,552	59,723,849,464	4,909,734,366	
Depreciation	455,709,525	267,147,801	57,315,167	2,151,651	
Net(gain)/ loss on monetary assets	(2,881,975,510)	6,156,709,604	-	-	
Non-cash employee share based payment charge	462,926,742	120,413,386	362,746,001	(8,148,000)	
Profit on sale of property plant, and equipment	(250,085,756)	(28,304,377)	(95,027,828)	(7,644,902)	
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	
Working capital changes:					
Decrease 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	
Cash generated from operations	17,680,788,042	8,173,471,869	13,708,705,517	407,464,989	
Tax paid	(13,519,288,992)	(4,134,360,668)	(10,997,529,525)	(820,832,031)	
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)	
<b>Net cash generated from operating activities</b>	<b>1,212,969,880</b>	<b>515,083,286</b>	<b>1,054,925,902</b>	<b>(1,189,134,606)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of property ,plant and equipment	(1,161,379,255)	(260,159,280)	(528,391,607)	(32,036,968)	-
Proceeds from sale of property,plant and equipment	250,085,756	28,304,377	95,093,977	7,644,902	
Net cash (utilised in)/generated from investing activities	(911,293,499)	(231,854,903)	(433,297,630)	(24,392,066)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issue of share capital	33,500,358	118,911,602	10,000,000	10,000,000	
Proceeds from borrowings	-	2,378,362,842	-	676,103,536	
Repayments of borrowings	(806,111,561)	-	(806,111,561)	-	
Dividend paid	(2,717,594,524)	-	(772,547,000)	-	
Cash (utilised in)/generated from financing activity	(3,490,205,727)	2,497,274,444	(1,568,658,561)	686,103,536	
Increase 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)	

**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS**  
**For the year ended 30 September 2023**

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 2023:

i.Closing exchange rate- USD1:ZWL 5 466.7466(2022:621.8922)

**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 the financial statements prepared in the currency of a hyper inflationary economy be stated in terms of measuring unit current at reporting date, and that corresponding figures for previous periods be stated in the same terms. The Zimbabwe National Statistics Agency(Zimstat) 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 not comply with IAS 29 which requires use of General Price Index of the hyperinflationary currency (ZWL) as a basis of reinstatement .In the absence of ZWL inflation indices for the period February to September 2023,an estimation was based on Total Consumption Poverty Line(TCPL) statistics published by Zimstat.

The indices and conversion factors used to restate the Company's financial statements as at 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.External Auditors 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		HOSTORICAL COST	
	30 SEPT 2023 ZWL	30 SEPT 2022 ZWL	30 SEPT 2023 ZWL	30 SEPT 2022 ZWL
<b>i.Purchases of goods</b>				
CBI-Electric African Cables-A Division of ATC( Pty) Limited	604,288,482	-	240,191,996	-
Metal Fabricators of Zambia Plc(Zamefa)	-	1,135,788,939	-	322,877,578
<b>ii.Sale of goods</b>				
Metal Fabricators of Zambia plc( " Zamefa")	6,264,956	2,216,342	1,915,433	630,053
<b>Related party receivables</b>				
Metal Fabricators of Zambia plc( " Zamefa")	-	2,216,342	-	630,053
<b>Key management remuneration:</b>				
Key management includes directors (executive and non-executive) and 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	462,926,742	120,413,386	362,746,001	(8,148,000)
Director' emoluments				
-Fees	259,500,145	291,928,205	362,746,001	(8,148,000)
<b>Total</b>	<b>8,290,599,509</b>	<b>3,282,294,923</b>	<b>5,285,450,925</b>	<b>539,979,317</b>

## 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	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

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 2023	30 SEPT 2022	30 SEPT 2023	30 SEPT 2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Retail sector	26,156,075,999	8,249,797,201	13,766,355,789	1,213,133,216

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	164,001,734,704	15,040,039,210	12,217,963,722	3,376,708,926
Profit before interest and taxation	63,425,490,831	23,226,659,070	61,380,099,554	5,685,501,930
Net 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	1,058,365,398
Total current assets	96,530,663,857	43,640,690,889	66,451,180,284	7,971,288,847



Liabilities	27,033,281,770	13,421,018,070	27,033,281,770	3,874,813,923
-------------	----------------	----------------	----------------	---------------

## 8.Capital commitments

The Company had no significant capital commitments authorised or contracted for at the reporting period (2022:ZWL\$Nil)

	INFLATION ADJUSTED		HISTORICAL COST	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
9.Property plant and equipment				
Capital expenditure	1,161,379,255	260,159,280	528,391,607	32,036,968
Depreciation	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 3 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 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 18<sup>th</sup> December 2023 to shareholders registered on 1<sup>st</sup> December 2023.

The shares of the Company will be traded cum dividend in the Johannesburg 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  
**C Kangara**  
**Company Secretary**  
**17 November 2023**

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



