

Cafca Limited  
Share Code: CAC  
ISIN Code: ZW0009011942

Notice To Shareholders

Reviewed Abridged Financial Results for the six months ended 31 March 2024  
All figures are in Zimbabwean Dollar(ZWL)

	INFLATION ADJUSTED		HISTORICAL COST	
	REVIEWED	REVIEWED	REVIEWED	REVIEWED
	31 MARCH 2024	31 MARCH 2023	31 MARCH 2024	31 MARCH 2023
	ZWL	ZWL	ZWL	ZWL
For six months ended 31 March 2024				
STATEMENT OF COMPREHENSIVE INCOME				
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	109,106,380,221	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:	-	-	-	-
Total comprehensive income for the period	145,518,619,382	116,879,551,168	78,656,187,093	4,986,857,253
Issued Ordinary Shares (weighted) (number)	33,949,000	33,589,000	32,949,000	33,589,000
Basic Earnings per share	4,286.39	3,479.70	2,316.89	148.47
Diluted Earnings per share	33,949,000	33,589,000	33,949,000	33,589,000
Diluted Earnings per share	4,281.34	3,388.79	2,314.17	146.72
Headline earnings per share(number)	33,949,000	33,589,000	32,949,000	33,589,000
Headline earnings per share	4,247.30	3,374.10	2,295.28	147.59

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2024**

	REVIEWED 31 MARCH 2024	AUDITED 30 SEPT 2023	REVIEWED 31 MARCH 2024	AUDITED 30 SEPT 2023
	ZWL	ZWL	ZWL	ZWL
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
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
<b>Current assets</b>				
Inventories	780,691,932,241	665,504,197,166	91,342,878,114	39,580,604,016
Trade and other trade 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	2,639,649,900
Income tax asset	-	8,360,357,688	-	871,074,748
<b>Total Assets</b>	<b>911,509,892,440</b>	<b>955,645,432,723</b>	<b>191,959,779,567</b>	<b>67,973,813,521</b>
<b>Equity attributable to owners of the parent</b>				
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	755,863,806,800	610,345,087,418	119,153,323,687	40,497,136,594
<b>Total Equity</b>	<b>774,880,225,428</b>	<b>629,552,159,035</b>	<b>119,572,782,844</b>	<b>40,940,531,751</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred income tax liabilities	64,242,670,289	66,634,592,752	-	-
<b>Current liabilities</b>				
Trade and other payables	20,539,624,376	46,929,438,545	20,539,624,376	4,899,629,173
Provisions and other liabilities	3,943,315,673	34,787,388,662	3,943,315,673	3,624,535,608
Current income tax liabilities	30,031,544,416	-	30,031,544,416	-
Bank overdrafts	15,106,490,075	37,686,147,311	15,106,490,075	3,926,560,620
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
<b>Total equity and liabilities</b>	<b>911,509,892,440</b>	<b>955,645,432,723</b>	<b>191,959,779,567</b>	<b>67,973,813,521</b>

**STATEMENT OF CHANGES IN EQUITY-INFLATION ADJUSTED**

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

**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 2022</b>	336	32,248,821	38,399,999	4,213,840,160	4,284,489,316
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	-	52,805,000
<b>Total comprehensive income for the period</b>	-	-	-	4,986,857,253	4,986,857,253
Net profit for the period	-	-	-	4,986,857,253	4,986,857,253
Other comprehensive income for the period	-	-	-	-	-
<b>Balance at 31 March 2023</b>	338	67,458,818	65,995,500	9,200,697,413	9,334,152,069

<b>Balance at 1 October 2023</b>	338	67,458,818	375,936,001	40,497,136,594	40,940,531,751
Transaction with owners:					
Share options exercised	-	8,000,000	-	-	8,000,000
Share options credit	-	-	(31,936,000)	-	(31,936,000)
Transfer between reserves	-	334,000,001	(334,000,001)	-	-
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	-	-	-	-	-
<b>Balance at 31 March 2024</b>	338	419,458,819	-	119,153,323,687	119,572,782,844

#### STATEMENT OF CASH FLOWS

	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	
Depreciation	2,184,041,065	1,427,397,803	58,498,964	13,606,699	
Monetary loss	37,179,434,115	22,744,614,475	-	-	
Non-cash employee share based payment(credit)/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)	(682,169,0547)	
(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 other charges	(30,844,072,990)	(3,514,561,237)	318,779,865	(86,425,025)	
Tax paid	(8,360,357,689)	(30,634,337,483)	(685,788,828)	(990,783,300)	
Finance income	-	335,499	-	10,902	
Finance cost	(12,423,672,674)	(14,018,087,409)	(3,488,205,195)	(450,822,350)	
<b>Net cash from generated from operating activities</b>	168,625,781,499	118,606,761,592	8,485,555,513	2,585,462,494	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of property ,plant and equipment	(1,598,147,044)	(16,253,992,660)	(1,509,987,754)	(529,183,065)	-
Proceeds from sale of property,plant and equipment	1,327,073,150	1,569,680,213	733,757,815	56,566,927	
<b>Net cash utilised in investing activities</b>	(271,073,894)	(14,684,312,447)	(776,229,939)	(472,616,138)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Decrease in borrowings	-	(44,392,712,429)	-	(1,365,915,296)	
Proceeds from issue of share options	63,687,513	309,208,845	8,000,000	10,000,000	
Dividend paid	(137,289,684,235)	(22,247,428,834)	(11,826,533,987)	(683,393,872)	-

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 on cash and cash equivalents	(24,874,344,00)	(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

**NOTES THE ABRIDGED REVIEWED FINANCIAL STATEMENTS**

**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 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.

**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 Doller(USD) and the local currency as at and up to effective date of 22 February 2019.The Company adopted the Zimbabwe Dollar as its functional currency and in 2019 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.

-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 for the six months ended 31 March 2024.

Therefore,the prevailing,market conditions for the Company favoured the use of the Zimbabwe Dollar( 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 in 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 growth in cable sales denominated in USD which was assessed as a temporary movement owing to 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 the 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 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- USD1:ZWL 22 055.4738(2023:929.8618)

### 3.Going Concern

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

- The Company has limited exposure to foreign liabilities
- The Company has stock cover of 3 months in finished goods
- The Company has adequate working capital and facilities from banks.
- Demand for cable has remained high.

### 4.Application of IAS 29(Financial Reporting in Hyperinflation Economies)

These financial results have been prepared in accordance with IAS 29 which requires that financial statements of any entity whose functional currency is 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.

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) in February 2023.There was need for business 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 as 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	9.9658
CPI as at 31 March 2023	13 949.99	30.768

### 5.Independet External Auditor's statement

The abridged interim financial information 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 on available at the Company's registered office.

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

### 6.Related party transactions

	INFLATION ADJUSTED		HOSTORICAL COST	
	REVIEWED 31 MARCH 2024 ZWL	REVEIWED 31 MARCH 2023 ZWL	REVIEWED 31 MARCH 2024 ZWL	REVIEWED 31 MARCH 2023 ZWL
Purchase of goods:				
CBI-Electric African Cables-A Division of ATC( Pty) 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	-
Sale of goods:				
Metal Fabricatoes of Zambia plc("Zamefa")	-	59,657,890	-	1,915,433

Key management remuneration:

Key management includes directors (executive and non-executive) and 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 charge	(254,240,503)	1,638,030,766	(31,936,000)	52,805,500
Director' emoluments -Fees	2,685,663,404	1,082,711,545	558,298,173	35,200,000
<b>Total</b>	<b>32,050,169,688</b>	<b>24,252,765,163</b>	<b>9,074,476,234</b>	<b>788,427,199</b>

**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 Malawi, Rwanda and Mozambique.

Revenue analysis

Revenue from customers domiciled in Zimbabwe	615,248,506,918	429,603,404,871	129,865,043,485	13,956,840,558
Revenue from external customers	70,544,333,854	53,591,231,833	20,002,083,513	1,742,954,609
	<b>685,802,840,772</b>	<b>483,194,636,704</b>	<b>212,194,636,704</b>	<b>15,699,795,167</b>

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	Reviewed	Reviewed	Reviewed
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	ZWL	ZWL	ZWL	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 year ended 31 March are as follows:

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
Net 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	1,627,498,612

**INFLATION ADJUSTED**

**HISTORICAL COST**

<b>Reviewed</b>	<b>Reviewed</b>	<b>Reviewed</b>	<b>Reviewed</b>
<b>31 March 2024</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>31 March 2023</b>

Total assets	911,509,892,440	955,645,432,723	191,959,779,567	67,973,813,521
8,159,303,241				
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.

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**9.Property plant and equipment**

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 5<sup>th</sup> 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 (excluding 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 2498.7242 :1ZiG 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 implies 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**

### **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 a 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 utilized 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

**C Kangara**  
**Company Secretary**

27 May 2024

Directors: H.P. Mkushi (Chairman)  
E.T.Z Chidzonga T.Chigumbu L.Corte S.E Mangwengwende S.Maparura J Tapambgwa





