

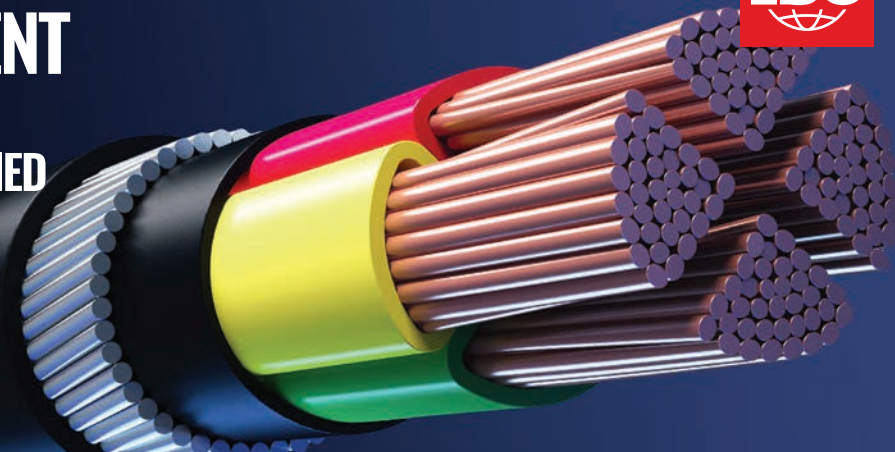
**OCCUPATIONAL
HEALTH
AND SAFETY**
ISO 45001 CERTIFIED



**ENERGY
MANAGEMENT
SYSTEM**
ISO 50001 CERTIFIED



**QUALITY
MANAGEMENT
SYSTEM**
ISO 9001 CERTIFIED



***Why are our ISO Certifications
so important to us?***

Perhaps because it ensures our cables are
manufactured to the highest possible standard.

Perhaps because it ensures our staff work
in the safest possible environment.

Perhaps because it ensures our company saves
precious energy, time and money.

We know it is all of these things and so much more.

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*This Integrated Annual Report covers the financial year from 1 October 2021 to 30 September 2022.
The reporting period is annual with the last report having been published in September 2021.
The financial statements are presented in Zimbabwe dollars ("ZWL").*

CAFCA LIMITED

(Incorporated in Zimbabwe)

BUSINESS

CAFCA Limited ("CAFCA") manufactures and supplies cable for the transmission and distribution of electrical energy and information primarily in Southern and Central Africa.

DIRECTORATE AND ADMINISTRATION

Directors

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

Secretary

C. Kangara

Principal Bankers

Nedbank Zimbabwe Limited
14th Floor, Old Mutual Centre
Harare

Independent Auditor

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Camelsa Business Park
135 Enterprise Road
Highlands, Harare

Legal Advisors

Coghlan, Welsh and Guest
Legal Practitioners
Cecil House, 2 Central Avenue
P.O. Box 53, Harare

Registered Office

54 Lytton Road
Workington, Harare

Postal Address

P. O. Box 1651
Harare, Zimbabwe

COMPANY PROFILE

CAFCA Limited manufactures and supplies cable for the transmission and distribution of electrical energy and information primarily in Southern and Central Africa. We manufacture over 900 cabling products including 11kV XLPE cables all to British, South African and Zimbabwean quality standards.

MISSION STATEMENT

Our goal is to create long term shareholder value

Our business purpose is:

- to be a leading manufacturer and supplier of cable for the transmission and distribution of information and energy for the Central and Southern African markets; and
- to be recognised for excellence in providing quality products and services that give best value to all our customers and other stakeholders.

Our operating principles are:

- we consistently delight customers;
- we strive for continued improvement;
- we achieve business excellence;
- we recognise suppliers as active partners in our business;
- we do it right;
- we value each other's contribution;
- we work as a team;
- we provide equal opportunities and encourage personal growth and a balanced lifestyle;
- we care for the environment;
- we encourage honesty.

PERIOD IN BRIEF

Financial Highlights

	Inflation adjusted	Historical cost
	2022 ZWL	2022 ZWL
Revenue	21 333 450 596	12 217 963 722
Operating profit	6 602 782 581	5 685 501 931
Profit before income tax	3 850 780 889	4 909 734 367
Profit for the year	2 219 453 729	3 851 368 975
Basic earnings per share (cents)	6 608	11 466
Diluted earnings per share (cents)	6 530	11 331

MILESTONES

CAFCA was the first company in Zimbabwe to achieve ISO 9002 accreditation, later upgraded to ISO 9001, which enables it to design as well as produce cabling to international standards.

In 1999 CAFCA became the first cable company in Sub-Saharan Africa to be awarded the environmental standard, ISO 14001.

Quality management standard

Accredited to ISO 9001:2015
(First company to gain accreditation in Zimbabwe:1994)

Occupational health and safety standard

Accredited to ISO 45001:2018

Environment management standard

Accredited to ISO 18001:2015
(First cable company in Sub-Saharan Africa to achieve the international quality standard)

Zimbabwe Electricity Supply Authority annual supply contracts

- Low voltage armoured cables: 1985-98, 2000-03
- All aluminium conductor: 1988-99, 2001-03
- Aluminium conductor steel reinforced 1988-99, 2001-03

Anglo American Corporation annual supply contract

- 1985-2000

BHP annual supply contract

- 1996-1999

Botswana Power Corporation

- Split concentric annual supply contract 2000-2004

Botswana Ministry of Health

- Annual supply of low smoke and fume white stripe cables 2002-2004

African Cables (South Africa)

- Monthly delivery of 600/1000V red stripe to SANS 1507 2003 specifications to date

Confederation of Zimbabwe Industries (CZI)

- Industrial Exporter of the Year 1st Runner up 2005
Industrial Exporter of the Year 1st Runner up 2008

National Industrial Energy Efficiency Award

- 1st Runner up 2011

Zimbabwe Quoted Companies Survey 2012

- Manufacturing Winner

Exporter of the year

- Runner up 2012

National Industrial Energy Efficiency Award

- Winner 2013 and 2014

Energy management system

- Accredited to ISO 50001:2018
(First company to get accreditation in Zimbabwe: 2016)

Best Stakeholder Practices and Sustainability Reporting

- 2018 second prize - Institute of Chartered Secretaries and Administrators

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the financial statements of CAFCA Limited for the twelve months ended 30 September 2022.

The financial reports have been prepared in ZWL.

Capital

AUTHORISED SHARE CAPITAL

The authorised share capital remains unchanged at 50 000 000 ordinary shares of ZWL0.00001 each and 100 000 5.5% cumulative preference shares of ZWL0.00001 each.

ISSUED SHARE CAPITAL

Issued share capital comprises 33 589 000 fully paid-up ordinary shares.

UNISSUED SHARE CAPITAL

In terms of the Articles of Association of the Company, the unissued share capital is under the control of directors subject to the limitations of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:03) and the Zimbabwe Stock Exchange Regulations.

RESULTS FOR THE YEAR

The results for the year are reported in the financial statements for the year ended 30 September 2022 which are set out on pages 16 to 43.

Attention to quality

Attention to quality is one of the reasons for our continued success.

At all levels we put our best endeavours into achieving product performance, safety and reliability. We monitor, control, document and regularly review all Company activities from design through to production and inspection. We hold quality systems' accreditation and product approvals from a number of authorities both local and international.

In terms of the Articles of Association of the Company, one third of the directors, excluding the managing director, will retire by rotation each year.

In accordance with the Articles of Association, Mr H.P. Mkushi, Mr G.J.H. Steyn and Mr T. Chigumbu retire by rotation.

The directors, being eligible, offer themselves for re-election.

None of the directors had an interest in any contract of significance with the Company during the year.

Employment policies

CAFCA Limited does not discriminate on the basis of race, religion, sex or disability and is committed to providing opportunities, safe working conditions and attractive remuneration to staff.

The Company endeavours to attract and retain talented and suitably qualified and experienced staff through performance-based reward systems, including an incentive bonus scheme.

Corporate governance

A statement on corporate governance is set out on page 8.

Auditors

Grant Thornton Chartered Accountants (Zimbabwe) were appointed as auditors in February 2022.

DIRECTORS’ REPORT - continued

Senior executives

Managing director – Robert Neill Webster
Finance executive – Caroline Kangara
Chief engineer – Phillip Tashayawedu
Sales and marketing executive – Farai Mukumbira
Manufacturing executive – Godfrey Mavera

Directors’ interests

Details of directors’ interests in the ordinary shares of the Company are shown below:

			Number of shares	
			Shares held directly	Shares held indirectly
Meetings of the directors				
The following table sets out the number of board meetings held by CAFCA Limited during the period under review and those attended by each director.				
	Meetings held	Meetings attended	H. P. Mkushi	- 6 167 099
			R. N. Webster	- 586 975
			E. T. Z. Chidzonga	100 -
			A. Mabena	100 -
			S. E. Mangwengwende	100 -
			T. A. Taylor	200 -
			G. J. H. Steyn	100 -
H.P. Mkushi	4	4		
R.N. Webster	4	4		
E.T.Z. Chidzonga	4	4		
A. Mabena	4	4		
S.E. Mangwengwende	4	4		
G.J.H. Steyn	4	4		
T.A. Taylor	4	4		



Left to right; T. A. Taylor, A. Mabena, R. N. Webster (Managing Director), H. P. Mkushi (Chairman), E.T.Z Chidzonga, S. E. Mangwengwende, G. J. H. Steyn

DIRECTORS

HONOUR PINIEL MKUSHI - Chairman

Non-executive Director. L.L.B (Hons), (London)

Appointed to the board on 1 January 1986

Honour is an Advocate of the High Court of Zimbabwe. He is the senior partner of Sawyer & Mkushi. He has been in private practice since 1971 and has an immaculate professional record with the Law Society of Zimbabwe. He specialises in corporate commercial banking, financial and property law practice. He has experience in constitutional law making, including attending the Geneva and Lancaster House London negotiations for Zimbabwe's Independence. He was a Commissioner involved in the drafting of the new Constitution for Zimbabwe in 1999.

Honour has sat on various boards including the following:

Chairman of the Council of Great Zimbabwe University for 6 years.

Chairman of the Board of Zimpapers for 12 years.

Chairman of the Board of Zimbabwe Mass Media Trust for 14 years.

Chairman of the Board of Leyland Zimbabwe Motor Corporation for 10 years.

Chairman of the Board of Commercial Union Insurance Company for 8 years.

Chairman of the Board of Standard Chartered Bank Zimbabwe Limited for 27 years.

Board Member of Lonrho Zimbabwe Limited - Motor and Mining.

He is currently the Chairman of six other reputable companies in Zimbabwe namely, Windmill Fertilisers Limited, Bright Insurance Brokers (Private) Limited, Nissan Clover Leaf Motors (Private) Limited, Zimbabwe Motor Investments (Private) Limited, Aptics ICT (Private) Limited, Automotive Distributor (Private) Limited.

ROBERT NEILL WEBSTER

Managing Director. B.Acc. (Natal), C.A. (Z)

Appointed to the board on 11 July 2006

Rob completed his articles of clerkship with Coopers and Lybrand and left as an audit manager to join 5T Holdings as financial director. He later joined Apex Corporation Limited as financial director and progressed to divisional executive of the foundry division. Rob was then approached by the CFI group to run Victoria Foods, which then led to promotion to divisional executive-poultry.

He joined CAFCA in 2006 as managing director.

SIMBARASHE EMANUEL MANGWENGWENDE

Non-executive Director. B.Sc. (Eng.) (Hons.) (Electrical Engineering) (University of Zimbabwe),

M.Sc. (Management of Technology) (Washington University. U.S.A). F.Z.W.E.I.E , Mem. I.E.E.E.

Appointed to the board on 1 October 2006

Simbarashe is an electrical power engineering and management specialist with extensive experience in the electricity supply industry including more than 14 years (1992 to 2006) as chief executive of the Zimbabwe Electricity Supply Authority (ZESA), the country's national utility, eight years (1981 to 1988) in electricity distribution engineering in various capacities of increasing responsibility and four years (1988 to 1992) in corporate planning.

Since retirement in 2006 he has been working as an independent consultant and sits on the boards of several public and private companies and non-profit organisations.

THOMAS ALEXANDER TAYLOR

Non-executive Director. B.Com. (Cape Town), C.A. (SA), C.A.(Z) Appointed to the board on

11 October 1995

Tom served his articles with Pricewaterhouse where he worked in their Bulawayo, Harare and London offices. He was admitted as a partner in July 1972. Until June 1985, he was an audit partner in Bulawayo and partner in charge of the Botswana office. He then transferred to Harare as senior partner of Pricewaterhouse Central Africa (Zimbabwe, Botswana, Malawi and Mozambique). Tom retired from the firm on 30 June 1995 after having completed 10 years as senior partner.

Currently self-employed, Tom sits on the boards of various public and private companies.



DIRECTORS

EDWIN TAVENGWA ZINYORO CHIDZONGA

*Non-executive Director. M.A. (Accounting & Finance) UK, F.C.C.A. (UK), F.C.M.A (UK), M.I.M. (UK)
Appointed to the board on 17 February 2000*

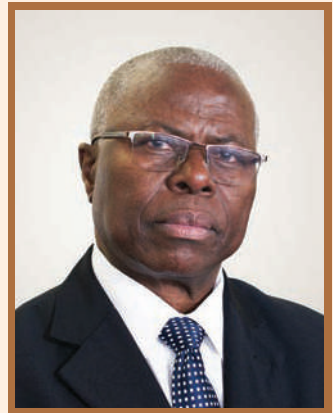
Edwin joined Minerals Marketing Corporation of Zimbabwe (MMCZ) as its first Financial Controller; set up the accounting systems including the commission rate that the MMCZ levies mining companies.

He was subsequently appointed Managing Director of MMCZ Sales, AG a subsidiary of the MMCZ in Zurich looking after the European market. He left MMCZ Sales AG to join the Standard Chartered Bank Group as Managing Director of Standard Chartered Finance Zimbabwe, then subsequently posted to the bank's London Head Office before returning to Zimbabwe to join the Mining industry Pension Fund as its Chief Executive Officer.

After his stint with the MIPF he joined Deloitte Zimbabwe as an Associate Director in the Human Capital Division specialising in a Management Culture Change programme called Value Creation and Exponential Growth Methodology.

After retiring from Deloitte, Edwin co-founded Colbrad Zimbabwe (Pvt) Ltd – Exponential Growth, Value Creation Change Management Strategists, as its Managing Director.

Edwin sits on various Boards of Private and Quoted companies.



GIDEON JOHANNES HENDRIK STEYN

*Non-executive Director. BCompt Hons (University of South Africa)
Appointed to the Board 19 February 2015*

Johan completed his articles with KPMG and left as an audit supervisor to join ATC (Proprietary) Limited. After working in various tasks and capacities, Johan was appointed as Divisional Director Finance of the company and subsequently appointed as the Head of Internal Audit of Reunert Limited.

At the end of 2008 Johan was appointed as Financial Director of CBI-Electric: African Cables, a division of ATC (Proprietary) Limited.



ALVORD MABENA

*Non-executive Director. B.Sc. Mechanical Engineering.
Appointed to the board on 19 February 1998*

Alvord has 20 years experience in the railway industry as an engineer, the last ten of which he was chief executive of the National Railways of Zimbabwe. He spearheaded the turnaround of the organisation to become the second largest railway in the sub region, second only to South Africa.

A past president of the Zimbabwe Institution of Engineers, Alvord won the Zimbabwe Institute of Personnel Management, manager of the year award in 1992 in recognition of his service with distinction in the public utility category.

A businessman, Alvord is also a director of private and public sector companies quoted on the Zimbabwe Stock Exchange including banking institutions and universities, among others. He is also a former Chairman of the National Railways of Zimbabwe Board. He is one of the established livestock breeders in Matebeleland and is heavily involved in voluntary community service where he is a past president of the Rotary Club of Bulawayo South where he was conferred with a Paul Harris Fellow award, which award is accorded Rotarians who would have served the community with distinction.

He is married and has one daughter and one grand daughter.



CORPORATE GOVERNANCE

Corporate governance represents the means by which direction and control are applied to the stewardship of an organisation's assets, both tangible and intangible, financial and non-financial, in the pursuit and delivery of the primary objective of sustainable value creation.

Ethics

Directors, management and staff are required to maintain the highest possible standards of business ethics and accountability, and appropriate disciplinary measures are in place in the event of non-conformity.

Board of directors

The board of directors (the “board”) of CAFCA Limited (“CAFCA” or the “Company”) fully supports the highest standards of corporate governance and is committed to the principles of openness, integrity and accountability in dealings with all stakeholders. The board fully recognises its responsibilities for setting the Company's strategic direction, providing the leadership to put this into effect, supervising the management of the business and reporting to the shareholders on its stewardship.

The board meets at least four times a year. One third of the board retire by rotation at the Annual General Meeting and may offer themselves as eligible for re-election.

Following the appointment of new directors to the board, an induction programme is arranged in order to facilitate their understanding of CAFCA Limited.

Audit and Risk committee

This committee was established to help the board discharge its responsibilities relating to the safeguarding of assets, the operating of adequate systems and controls and of adding assurance and credibility to the Company's financial reporting process.

The Audit and Risk committee has the authority to conduct or authorise investigations into any matters within its scope of responsibilities. The audit risk committee comprises no less than three non-executive directors. The board appoints audit risk committee members and the chairman of the audit risk committee from among its directors. The audit risk committee meets no less than four times a year.

The audit risk committee assists the board in fulfilling its responsibilities by reviewing and making recommendations on the following:

- the financial reporting process,
- the systems of internal control,
- the process for the management of business risks,
- the audit process, and
- the Company's process for monitoring compliance with relevant laws and regulations.

Executive committee

This committee consists of the executive team, which is responsible for implementing the board's strategies, plans and policies, identifying risk for the board and for safety, health, environment and other operational matters.

Risk management

Effective risk management is a board responsibility and is integral to the Company's objective of consistently adding value to the business. Business risks have been identified and relevant strategies are in place to address them. The managing director is required to identify and present all risks for review by the Audit and Risk committee.

Management reporting

The Company's performance is monitored during weekly and monthly management meetings and is supported by management reporting disciplines that include the preparation of annual business plans and monthly results reported against budgets and other targets.

Remuneration and Nomination committee

This committee consists of two non-executive directors who review and approve executive and staff remuneration, inclusive of bonuses and benefits as well as directors' fees, within the board's terms of reference.

Operations controls

While operating risk can never be fully eliminated, the endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and people are in place throughout its business. Key policies employed in managing operating risk involve the segregation of duties, transactions authorisations, as well as monitoring financial and managerial reporting.

CHAIRMAN'S' REPORT

Overview

For the most part of the year CAFCA traded at volumes above the prior year. However with the introduction of the tight monetary policy and bank lending rates moving above 200% per annum a marked decrease in volumes was recorded in the last 2 months of the financial year.

Sustainability

CAFCA continues to have proactive strategies that not only ensure the continuity and growth of the company but also the positive impact of our operations on the environment and other social considerations. We commit ourselves to ensuring that our actions will not have any negative impact on future generations.

Quality and Standards

Our systems are monitored and tested for compliance by the Standards Association of Zimbabwe and the South African Bureau of Standards to various International Standards Organization (I.S.O) requirements.

We are certified to the following I.S.O standards:

- ISO 9001: 2015 our Quality system
- ISO 14001: 2015 our Environmental system
- ISO 45001: 2018 our Occupational Health and Safety system
- ISO 50001: 2018 our Energy Management system

In addition our products carry the following product marks:

- Standards Association of Zimbabwe
- South African Bureau of Standards

Dividend

The Directors have supported management's recommendation that the company is in a position to return to paying dividends.

Borrowings would have been cleared by the time the dividend is paid. The company is adequately capitalised to cater for any challenges that may arise in the economy in the foreseeable future.

Outlook

To stabilise the economy we understand that the tight monetary policy together with high interest rates will prevail for most of the coming year – the impact on CAFCA will be reduced volumes.

Management have strategies in place to ensure local market requirements are adequately met and that imports of cable are kept to a minimum. Export markets continue to be explored with new consignment stock arrangements already identified.

Thanks

We are grateful for the support we continue to receive from all our customers.

Our suppliers and service providers are our partners and we thank them for the contribution they make to our success.


Thanks also go to our bankers whose support is critical in ensuring that we can adequately fund our working capital and meet our International payment and receipts requirements.

We acknowledge the contribution of Government in ensuring our company is protected from unfair threats to the economy.

Management and staff under very difficult conditions continue to ensure the long term success of the company and we thank them for their loyalty and contribution.

We also acknowledge the contribution of our shareholders who support and assist management in taking care of and supporting the company.

Lastly to my fellow Directors who loyally take responsibility for the obligations and future success of CAFCA I say thank you.



H P MKUSHI
BOARD CHAIRMAN
10 NOVEMBER 2022

MANAGING DIRECTOR'S REPORT

Operations

Our permanent staff complement including those on our leadership programme increased during the year from 225 people to 266. This was to cater for increased demand at our factory outlet and to move some processes that were being outsourced to being done by our own employees – the decision was based on both health and safety aspects and on security considerations.

The current staff complement is aimed at 250 tonnes capacity which can easily be increased if the need arises. Historically capacity was at 450 tonnes in 1990 with 343 people employed.

We continue to adequately maintain our equipment with our biggest challenge being not our plant but the quality of power supply. Power surges not only disrupt the production runs of cable but also damage drives, PLC's and other electrical components.

Despite the above challenges our production output has catered for all our local and export customer requirements. In addition production output has increased our stock of finished goods over the year from 715 tonnes to 803 tonnes allowing us to stock various consignment stock customers locally and in the region.

Financial Results

Turnover in historical terms grew 262% year on year pretty much in line with inflation.

Earnings per share increased 402% resulting from the benefit of various hedges put in place against inflation which allowed profits to exceed inflation.

Our main strategy of having good stocks of finished goods to ensure our consignment stock initiatives are successful and to ensure we adequately cater for all local cable requirements meant that in historical terms we had to invest ZWL 4.4 billion more in finished goods over the year. After tax profits of ZWL3.8 billion had to be augmented with borrowings of ZWL1.7 billion to finance this investment.

Future

Our focus will slightly change from hedging against inflation to eliminating borrowings as the company cannot justify interest rates above 200%.

Stocks will be carefully monitored to ensure no sales are lost because of the unavailability of certain cable lines both locally and externally versus the need to slightly reduce stocks to repay expensive borrowings.

Our expectation is that the tightening of the economy will definitely reduce volumes but the decrease will still allow CAFCA to be profitable and cash positive.

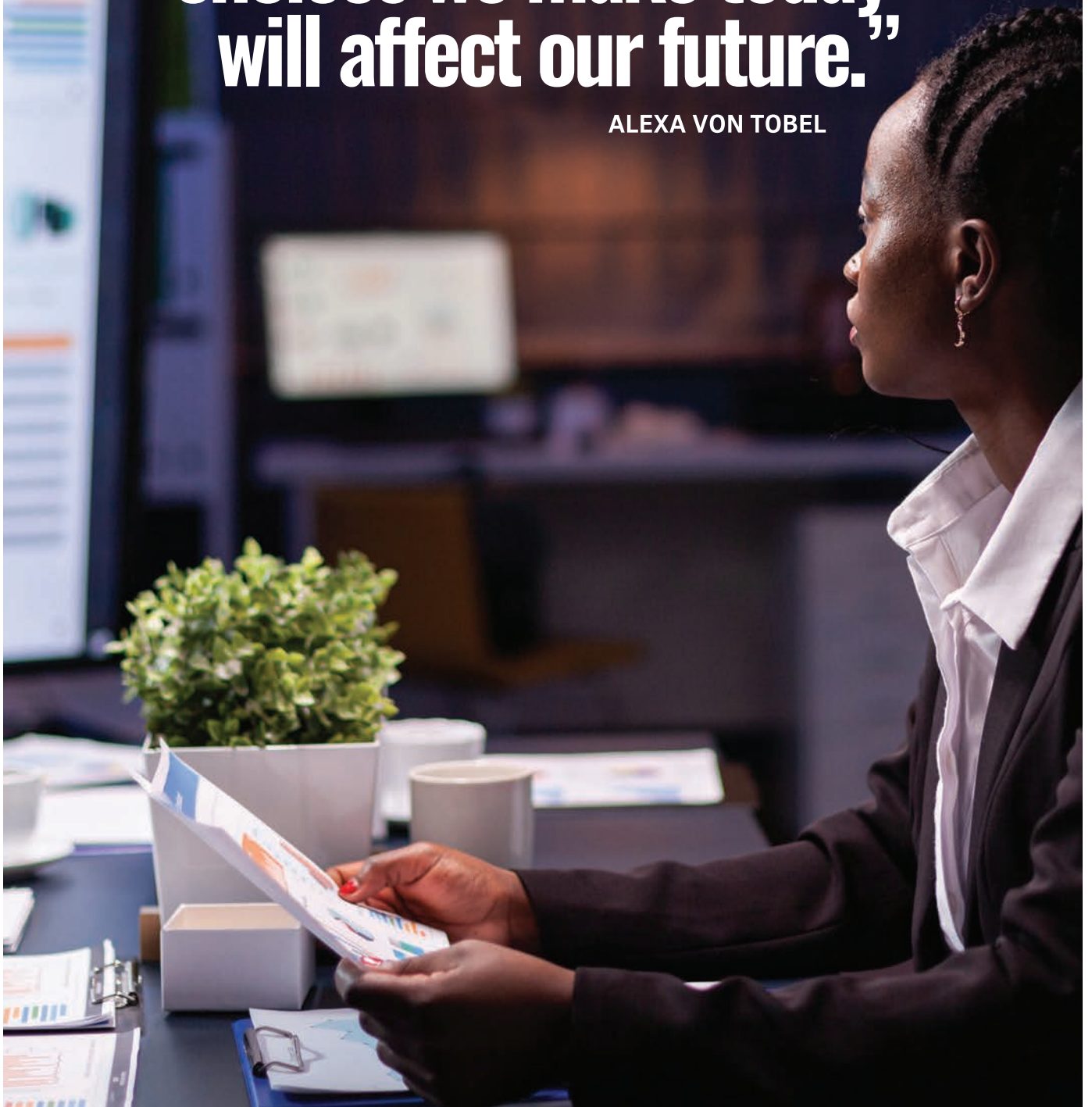
Costs will be controlled but we do not anticipate any need to reduce numbers employed.



R N WEBSTER
MANAGING DIRECTOR
10 NOVEMBER 2022

**“A good financial plan
is a road map that
shows us exactly how the
choices we make today
will affect our future.”**

ALEXA VON TOBEL



DIRECTORS' DECLARATION

These financial statements are expressed in Zimbabwe Dollars (ZWL).

Responsibilities of Management and Those Charged with Governance for the Financial Statements for the year ended 30 September 2022.

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Company. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Directors have assessed the ability of the Company to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Company to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Conceptual Framework for Financial Reporting requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgments, where applicable, regarding appropriate exchange rates between currencies where exchange ability through a legal and market exchange mechanism is not achievable.

The requirement to comply with Statutory Instrument (S.I) 33 of 2019 as enacted by the Finance Act No. 2 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the Conceptual Framework for Financial Reporting. This has resulted in the adoption of the accounting treatment in the prior year's financial statements, which deviates from that which would have been applied if the Company had been able to fully comply with IFRS.

The Directors carried out an assessment of the impact of liquidity constraints and foreign currency shortages on the Company's operations and income streams and came to a conclusion that the impact is not material to affect the ability of the Company to continue as a going concern for the twelve months ended 30 September 2023.

The Company's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Company's financial statements which are set out on pages 16 to 52 were, in accordance with their responsibilities, approved by the Board of Directors on 10 November 2022 and are signed on its behalf by:



H. P. MKUSHI
CHAIRMAN
HARARE, ZIMBABWE
10 NOVEMBER 2022



R. N. WEBSTER
MANAGING DIRECTOR
HARARE, ZIMBABWE
10 NOVEMBER 2022

These financial statements were prepared under the supervision of:



C. KANGARA
FINANCE EXECUTIVE

**Grant Thornton**

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To the Members of CAFCA Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of CAFCA Limited set out on pages 16 to 43, which comprise the statement of financial position as at 30 September 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of the Company's significant accounting policies.

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of CAFCA Limited as at 30 September 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates in the prior financial years and International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

An adverse opinion was issued on the inflation adjusted financial statements for the year ended 30 September 2020. This was due to the use of foreign currency exchange rates that were not considered to be appropriate spot rates for translation of foreign currency denominated transactions and balances, as required by IAS 21, 'The Effects of Changes in Foreign Exchange Rates' and its consequential effects on the hyper inflationary adjustments made in terms of IAS 29, 'Financial Reporting in Hyper inflationary Economies'. The opinion for the year ended 30 September 2021 was modified because of the possible effects of the prior year misstatements on the comparability of the 2021 financial information to that of the comparative period.

As the non-compliance with IAS 21 is from prior financial years and there have been no restatements to the prior year financial statements in accordance with IAS 8, the retained earnings as at 30 September 2022 may contain misstatements. As a result, our opinion on the current year financial statements is modified because of the possible residual effects of the non-compliance with IAS 21.

The effects of the above non-compliance with International Financial Reporting Standards were considered to be material but not pervasive to the financial statements.

Chartered Accountants

Member of Grant Thornton International Ltd

A list of partners may be inspected at the above address



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the annual financial statements:

Key audit matters	How our audit addressed the key audit matters
<p>IFRS 9 Expected credit loss allowance</p> <p>The Company had significant trade receivables of ZWL 1 010 320 416, and an expected credit loss allowance of ZWL 57 598 126 as at 30 September 2022 (Refer to Note 9). The expected credit loss allowance was considered a key audit matter as IFRS 9 is a complex accounting standard which requires significant judgement using subjective assumptions when determining both the timing and amounts of the impairment provision for trade receivables.</p> <p>Key areas of judgement included:</p> <ul style="list-style-type: none">• The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Company expected credit loss model;• The identification of exposures with a significant deterioration in credit quality;• Assumptions used in the expected credit loss model such as the financial condition of the counter party, expected future cash flows and forward-looking macroeconomic factors (e.g. exchange rates, interest rates, gross domestic product growth, inflation).	<p>Our audit addressed the key audit matter as follows:</p> <p>Our audit procedures in assessing management’s allowance for expected credit losses included the following:</p> <ul style="list-style-type: none">• We assessed and tested the material modeling assumptions with a focus on the:<ul style="list-style-type: none">i. Key modeling assumptions adopted by the Company;ii. Basis for and data used to determine debtor’s categories; andiii. Reliability of the historical data collected.• We examined a sample of exposures and performed procedures to evaluate the:<ul style="list-style-type: none">i. Timely identification of exposures with a significant deterioration in credit quality.ii. Expected loss calculation for exposures assessed on an individual basis.• Reviewed the assumptions and computations made by management in determining the expected credit losses.• We assessed the accuracy of the disclosures in the financial statements. <p>Based on our audit work, the assumptions used by management and the loss rates calculated were appropriate and reflected the current environment.</p>

Other information

The Directors are responsible for the other information. The other information comprises the ‘Corporate information’, ‘Directors’ report, ‘Corporate governance’, ‘Chairman’s report’, and ‘Managing Director’s report’, which we obtained prior to the date of this auditor’s report. The other information does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of CAFCA audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is Edmore Chimhowa.

Edmore Chimhowa
Partner

16 November 2022

Registered Public Auditor (PAAB No: 0470)

Grant Thornton
Chartered Accountants (Zimbabwe)

FINANCIAL REPORT

Statement of financial position

As at 30 September 2022

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Assets					
Non-current assets					
Property, plant and equipment	6	524 024 144	526 010 814	33 068 548	3 183 231
Deferred tax asset	11	-	-	154 945 844	43 203 625
Total non-current assets		524 024 144	526 010 814	188 014 392	46 386 856
Current assets					
Inventories	7	9 688 628 712	5 741 646 990	5 318 397 450	929 934 973
Trade and other receivables	8	2 140 650 008	1 446 435 069	2 076 167 491	378 780 377
Cash and cash equivalents	9	576 723 908	903 617 507	576 723 908	237 542 706
		12 406 002 628	8 091 699 566	7 971 288 849	1 546 258 056
Total assets		12 930 026 772	8 617 710 380	8 159 303 241	1 592 644 912
Equity and liabilities					
Share capital and reserves					
Share capital	10.2	65 682	65 680	336	334
Share premium	10.2	176 502 308	127 824 955	32 248 821	7 848 820
Share option reserve	10	251 204 493	231 847 489	38 399 999	60 948 002
Retained earnings		7 629 569 948	6 182 663 219	4 213 840 161	1 135 018 186
Total equity		8 057 342 431	6 542 401 343	4 284 489 317	1 203 815 342
Non-current liabilities					
Deferred income tax liabilities	11	1 057 410 527	596 190 819	-	-
Current liabilities					
Trade and other payables	12	473 236 468	470 684 253	473 236 468	123 733 339
Provisions for other liabilities and charges	13	541 465 192	264 436 003	541 465 192	69 514 261
Current income tax liability	14	355 309 255	249 444 666	414 849 363	65 573 942
Borrowings	15	1 672 715 899	494 553 296	1 672 715 899	130 008 026
Dividend payable	16	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	8 159 303 239	1 592 644 910

The above statement of financial position should be read in conjunction with accompanying notes.

These financial statements were approved for issue by the board of directors on 10 November 2022 and signed on its behalf by:

H.P. Mkushi
Chairman

R.N. Webster
Managing Director

Statement of profit or loss and comprehensive income

For the year ended 30 September 2022

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Revenue	17	21 333 450 596	15 040 039 210	12 217 963 722	3 376 708 926
Cost of sales	18	(12 462 301 078)	(10 629 542 001)	(5 450 182 535)	(1 815 024 771)
Gross profit		8 871 149 518	4 410 497 209	6 767 781 187	1 561 684 155
Distribution costs	18	(93 031 537)	(45 236 272)	(63 089 376)	(10 073 671)
Administrative expenses	18	(3 489 188 041)	(2 271 494 673)	(2 110 585 490)	(478 865 688)
Other income	19	1 349 991 239	230 811 992	1 127 935 562	52 849 533
Allowance for impairment	18	(44 184 854)	(31 079 500)	(44 184 854)	(8 170 172)
Other gains	20	8 046 256	8 983 044	7 644 902	2 164 258
Operating profit		6 602 782 581	2 302 481 800	5 685 501 931	1 119 588 415
Finance cost	21	(1 001 959 316)	(396 644 229)	(775 817 408)	(84 129 253)
Finance income	21	162 628	110 899	49 844	28 272
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	1 035 487 434
Income tax expense	22	(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	762 376 293
Other comprehensive income					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive income/(loss) for the year		2 219 453 729	(997 447 076)	3 851 368 975	762 376 293
		Cents	Cents	Cents	Cents
Basic earnings/(loss) per share	23.1	6 608	(2 987)	11 466	2 283
Diluted earnings/(loss) per share	23.2	6 530	(2 935)	11 331	2 243

The above statement of profit/(loss) and other comprehensive income should be read in conjunction with accompanying notes.

FINANCIAL REPORT

Statement of changes in equity

For the year ended 30 September 2022

	INFLATION ADJUSTED				
	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance as at 1 October 2020	65 669	75 819 846	166 291 672	7 180 110 295	7 422 287 482
Total comprehensive loss 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	-	-	-	-	-
Transactions with owners in their capacity as owners:					
Issue of shares	11	143 906	-	-	143 917
Share options	-	-	117 417 020	-	117 417 020
Share options exercised	-	51 861 203	(51 861 203)	-	-
Balance as at 30 September 2021	65 680	127 824 955	231 847 489	6 182 663 219	6 542 401 343
Year ended 30 September 2022					
Balance as at 1 October 2021	65 680	127 824 955	231 847 489	6 182 663 219	6 542 401 343
Total comprehensive income for the year	-	-	-	2 219 453 729	2 219 453 729
Profit for the year	-	-	-	2 219 453 729	2 219 453 729
Other comprehensive income for the year	-	-	-	-	-
Transactions with owners in their capacity as 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)
Balance as at 30 September 2022	65 682	176 502 308	251 204 493	7 629 569 948	8 057 342 431
	HISTORICAL COST				
Balance as at 1 October 2020	333	1 291 321	21 002 626	372 641 893	394 936 173
Total comprehensive income for the year	-	-	-	762 376 293	762 376 293
Profit for the year	-	-	-	762 376 293	762 376 293
Transactions with owners in	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Transactions with owners in their capacity as 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
Balance as at 30 September 2021	334	7 848 820	60 948 002	1 135 018 186	1 203 815 342
Balance as at 1 October 2021	334	7 848 820	60 948 002	1 135 018 186	1 203 815 342
Total comprehensive income for the year	-	-	-	3 851 368 975	3 851 368 975
Profit for the year	-	-	-	3 851 368 975	3 851 368 975
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Issue of shares	2	9 999 998	-	-	10 000 000
Share options exercised	-	14 400 003	(14 400 003)	-	-
Share options	-	-	(8 148 000)	-	(8 148 000)
Dividend declared	-	-	-	(772 547 000)	(772 547 000)
Balance as at 30 September 2022	336	32 248 821	38 399 999	4 213 840 161	4 284 489 317

The above statement of changes in equity should be read in conjunction with accompanying notes.

FINANCIAL REPORT

Statement of cash flows

For the year ended 30 September 2022

Notes	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Cash flows from operating activities				
Profit before income tax	3 850 780 889	603 855 656	4 909 734 367	1 035 487 434
Adjustments for:				
Depreciation	6 75 943 718	71 834 788	2 151 651	580 323
Net loss on net monetary assets	1 750 205 004	1 302 092 814	-	-
(Profit)/loss from disposal of property, plant and equipment	20 (8 046 256)	(8 983 044)	(7 644 902)	(2 164 258)
Non-cash employee benefit expense - share based payment	18.1 34 230 640	117 417 020	(8 148 000)	46 476 000
Finance cost	21 1 001 959 316	396 644 229	775 817 408	84 129 253
Finance income	21 (162 628)	(110 899)	(49 844)	(28 272)
Working capital changes:				
Increase in inventories	(3 952 572 792)	1 096 170 776	(4 388 462 477)	(575 821 598)
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)	471 950 333	22 686 384
Net cash generated from operations	2 323 522 187	2 896 689 324	407 464 990	398 919 547
Finance cost	21 (1 001 959 316)	(396 644 229)	(775 817 408)	(84 129 253)
Finance income	21 162 628	110 899	49 844	28 272
Income taxes paid	14 (1 175 299 664)	(1 289 458 643)	(820 832 031)	(300 059 790)
Net cash generated from/(utilised in) operating activities	146 425 835	1 210 697 351	(1 189 134 605)	14 758 776
Cash flows from investing activities				
Acquisition of property, plant and equipment	6 (73 957 049)	-	(32 036 968)	-
Proceeds from sale of motor vehicles	20 8 046 256	8 983 044	7 644 902	2 164 258
Net cash (utilised in)/generated from investing activities	(65 910 793)	8 983 044	(24 392 066)	2 164 258
Cash flows from financing activities				
Proceeds from borrowings	1 178 162 603	(21 870 212)	1 542 707 873	48 549 479
Proceeds from issuance of shares - share options	10.2 33 803 719	143 917	10 000 000	26 876
Net cash generated from/(utilised in) financing activities	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	65 499 389
Cash and cash equivalents at the beginning of the year	903 617 507	991 821 200	237 542 704	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	10 576 723 908	903 617 507	576 723 906	237 542 704

The above statement of cash flows should be read in conjunction with accompanying notes.

Statement of accounting policies

For the year ended 30 September 2022

1 General information

CAFCA Limited (the "Company") is a public limited liability company incorporated and domiciled in Zimbabwe. The Company has a primary listing on the Zimbabwe Stock Exchange and a secondary listing on the Johannesburg Stock Exchange. These financial statements were approved for issue by the Board of Directors on 10 November 2022.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of CAFCA Limited have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **note 4**.

Appropriate adjustments and reclassifications, including restatements for changes in general purchase power of the Zimbabwe dollar and for the purposes of fair presentation in accordance with IAS 29, "Financial reporting in hyperinflationary economies" have been made in these financial statements to the historical cost financial information (refer to **note 4**).

Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Company. The historical costs financial statements have been provided by way of supplementary information.

2.1.1 Functional and presentation currency

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 up to 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 requirements of IAS 21. The annual financial statements for the year ended 30 September 2022 are therefore presented in ZWL being the currency of the primary economic environment in which the Company operates.

During the year ended 30 September 2022, the following exchange rates were available in Zimbabwe:-

- 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 put 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 exchange rate up to 9 May 2022 and the 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- USD 1: ZWL 621.8922 (2021: ZWL 87.6653).

2.1.2 Changes in accounting policy and disclosures (a) New standards, amendments and interpretations effective for the first time for 30 September 2022 year end that are relevant to the Company

**IFRS 7: Financial Instruments Disclosures;
IFRS 9: Financial Instruments and IAS 32: Financial Instruments recognition and measurement.**

The IASB have added a practical expedient that will mean entities will not need to derecognise the carrying amount of financial assets or financial liabilities for changes required by the reform. Instead reporting entities are required to account for the modification by updating the effective interest rate to reflect the change to the alternative benchmark rate.

Reporting entities will be required to make additional disclosures about new risks arising from the IBOR reform and how they manage those risks. There are also disclosure requirements for transitioning from IBORs to alternative benchmark rates.

The amendments are effective for annual periods beginning on or after **1 January 2021**, with earlier application permitted. They should be applied retrospectively, and restatement of prior periods is not required, however entities can restate prior periods, if it is possible without the use of hindsight.

IFRS 16: Leases

In May 2020, the IASB published an amendment 'COVID19- Related Rent Concessions (amendment to IFRS 16)' (the amendment). The amendment added a practical expedient to the Standard which provides relief for lessees in assessing whether specific COVID- 19 rent concessions are considered to be lease modifications. Instead, if this practical expedient is applied, these rent concessions are treated as if they are not lease modifications.

In light of the impact the COVID- 19 pandemic has had on business activity across the world, and response from feedback received from stakeholders, the IASB decided to extend this relief for one year to provide relief for recent concessions in relation to COVID- 19 that reduce payments up until 30 June 2022. The amendment is effective for annual reporting periods beginning on or after **1 April 2021**.

Statement of accounting policies

For the year ended 30 September 2022 (continued)

2.1.2 Changes in accounting policy and disclosures (continued)

(b) New standards, amendments and interpretations issued but not effective for 30 September 2022 year end that are relevant to the Company but have not been early adopted

• IAS 16- Property, plant and equipment

The new amendment clarifies the accounting for proceeds before intended use. Through prohibiting an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The amendment is effective for reporting periods beginning on or after **1 January 2022**.

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets

The new amendment clarifies on the accounting for Onerous Contracts – Cost of Fulfilling a Contract. Through specifying costs an entity includes when assessing whether a contract will be a loss-making. The amendment is effective for reporting periods beginning on or after **1 January 2022**.

IAS 1: Presentation of Financial Statements

The amendments clarify the guidance in IAS 1 by:

- Specifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period;
- Stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability;
- Adding guidance about lending conditions and how these can impact classification; and
- Including requirements for liabilities that can be settled using an entity's own instruments.

The amendments are effective for reporting periods beginning on or after **1 January 2023**.

IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

The amendments clarify the guidance in IAS 8 by:

- Aligning the definition of "material" across the standards and to clarify certain aspects of the definition.
- The new definition states that, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".
- The amendments to the definition of material are not expected to have a significant impact on CAFCA's financial statements.

The amendments are effective for reporting periods beginning on or after **1 January 2023**.

2.2 Segment reporting

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make

- decisions about resources to be allocated to the segment and assess its performance; and
- For which discrete financial information is available.

The Company operates within the cable manufacturing industry. The activities of the Company are entirely related to the manufacturing and selling of cable and for the transmission and distribution of electrical energy and information, primarily in Zimbabwe.

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources, assessing performance of the operating segment and making strategic decisions, has been identified as the executive management team.

2.3 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive and a net basis, within 'other (losses)/gains –net'.

2.4 Property, plant and equipment

Property, plant and equipment is initially stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to statement of comprehensive income during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings	40 years
Plant and equipment	10 to 15 years
Motor vehicles	3 to 10 years
Office equipment	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Statement of accounting policies

For the year ended 30 September 2022 (continued)

2.4 Property, plant and equipment (continued)

An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of assets are determined by comparing proceeds with the carrying amount. These are included in the statement of income.

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets ("Cash generating units"). Non-financial assets other than goodwill that suffered an impairment are reviewed at the end of each reporting period.

2.6 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Company does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cashflows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as treasury bills from Government and parastatals.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains a quoted equity investments. The Company accounts for the investments at FVTPL. For unquoted investments the Company made an irrevocable election to account them at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the contractual cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Statement of accounting policies

For the year ended 30 September 2022 (continued)

2.6 Financial instruments (continued)

Impairment of financial assets (continued)

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of financial assets is calculated as the difference between its carrying amount and its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Company that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For available for sale financial assets that are equity securities, the reversal is recognised directly in equity. For other financial assets the reversal is recognised in profit or loss.

IFRS 9's impairment requirements use more forward looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts information that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables, recognise the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method and financial liabilities designated at FVTPL, are subsequently carried at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments. Cash and cash equivalents are measured at fair value, with any impairment or appreciation in value of foreign currency denominated balances arising from changes in exchange rates, being written off or credited against the exchange gains and losses account in profit or loss. In the statement of financial position, bank overdrafts are shown under current liabilities.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within two months of recognition. Trade and other payables are classified as current liabilities unless payment is not due within twelve months after the reporting date.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Offset

If a legally enforceable right exists to set-off recognised amounts of financial assets and liabilities, which are determinable monetary amounts and the Company intends to settle on a net basis, the relevant financial assets and liabilities are offset.

2.7 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. Cost excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory

Statement of accounting policies

For the year ended 30 September 2022 (continued)

2.7 Inventories (continued)

are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling expenses. Obsolete, redundant and slow moving stocks are identified and written down to net realisable value.

2.8 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.9 Current income and deferred tax

The income tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in Zimbabwe. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle the balance on a net basis, or to realise the asset and settle the liability simultaneously.

Current income and deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

2.11 Revenue recognition

The Company manufactures and supplies cable and allied products. Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer. This is the point at which the performance obligation is satisfied and a receivable is recognised as the consideration is unconditional and only the passage of time is required before payment is due.

To determine whether to recognise revenue, the Company follows a 5-step process:

- 1 Identifying the contract with a customer;
- 2 Identifying the performance obligations;
- 3 Determining the transaction price;
- 4 Allocating the transaction price to the performance obligations; and
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

(a) Sales of goods - wholesale

Revenue from the sale of goods is recognised when the products have been delivered to the customer. Delivery does not occur until the products have been delivered to the specified location, the risk of obsolescence has been transferred to the customer and there are no unfulfilled obligations that could affect the customer's acceptance of the products.

Statement of accounting policies

For the year ended 30 September 2022 (continued)

2.11 Revenue recognition (continued)
(b) Sales of goods - retail

Revenue from the sales of goods is recognised when the Company sells a product to the customer.

(c) Consignment inventory

Revenue is recognised when goods have been consumed.

2.12 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.13 Employee benefits
(a) Pension obligations

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays contributions to a privately administered pension plan on a contractual basis. The Company has no further legal or constructive obligation to pay contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The pension plan is funded by payments from employees and by the Company and by taking account of the recommendations of independent actuaries. The 'contributions are recognised as employee benefit expenses when they are due.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the reporting date are discounted to present value.

(c) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(d) Bonus plans

The Company recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(e) Share-based payments

Share based compensation benefits are provided to employees through an equity settled share-based compensation plan. The fair value of options granted under the share-based compensation plan is recognised as employee benefits expense with a corresponding increase in equity. The total granted under the share based compensation plan is recognised as employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the Company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

2.14 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.15 Earnings per share
(a) Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Statement of accounting policies

For the year ended 30 September 2022 (continued)

3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's future financial performance. The primary objective of the financial risk management function is to establish risk limits and to ensure that risk stays within limits.

Risk management is carried out under policies approved by the Board of Directors (the "Board"). The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company's market risks arise from open positions in foreign currencies and interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

i) Foreign exchange risk

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures on purchases that are denominated in a currency other than the ZWL, primarily with respect to the South African Rand ("ZAR") and the USD.

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Company's primary method of managing foreign exchange risk is to match the Company's principal cash outflows to the currency in which the principal cash inflows are denominated. The Company holds foreign denominated receivables and is therefore exposed to foreign exchange risk.

ii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all financial instruments traded in the market.

The Company is not exposed to equity securities or commodity price risk because it had no assets nor obligations that expose the Company to these risks at the reporting date (2021: ZWLnil).

iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest

rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

As the Company has no interest-bearing assets, the Company's income is substantially independent of changes in market interest rates (2021:ZWLnil).

The Company has borrowings amounting to ZWL1.6billion 2022 and is exposed to cash flow interest rate risk.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contract. Credit risk potentially arises from cash and cash equivalents, deposits with banks and financial institutions, loans and receivables, investments, as well as credit exposures to wholesale and retail customers including outstanding trade receivables. The Company manages and analyses credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Only approved financial institutions with sound capital bases are utilised to invest surplus funds. For customers, Credit control assesses the credit worthiness of the customers before credit is granted.

The executive management team meets regularly to manage the concentration of credit risk and set and assess limits for the individual customer. The executive management team assesses the credit risk quality of the customer, taking into account its financial position, past experience and other factors. Counterparty specific exposure is monitored against concentration of credit risk in relation to the total credit risk exposure to all counterparties. The Company has well established credit control procedures that monitor activity on a customer account and allow for remedial action should the customer not comply with payment terms. Payment terms and credit limits vary between customers.

Credit limits are monitored based on the financial position and history of the customer's ability to pay. In the view of management, the credit quality of trade receivables is considered sound.

Statement of accounting policies

For the year ended 30 September 2022 (continued)

3 Financial risk management (continued)**3.1 Financial risk factors (continued)****(b) Credit risk (continued)**

The Company's maximum exposure to credit risk by class of financial asset on statement of financial position is as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Trade and other receivables (excluding prepayments and statutory receivables)	952 722 290	497 432 218	952 722 290	130 764 836
Cash and cash equivalents	576 723 908	903 617 507	576 723 908	237 542 706
	1 529 446 198	1 401 049 725	1 529 446 198	368 307 542
The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:				
Trade receivables (excluding amounts due from related parties)				
Counterparties without external credit rating:				
Group 1 - Existing customers with no defaults in the past.	1 010 320 416	540 848 175	1 010 320 416	142 178 010
Group 2 - Existing customers with some defaults in the past.	-	-	-	-
All defaults were fully recovered.	-	-	-	-
Group 3 - Existing customers with defaults not recovered.	-	-	-	-
	1 010 320 416	540 848 175	1 010 320 416	142 178 010
Other receivables (excluding prepayments and statutory liabilities)				
Other receivables from once off transactions with third parties	-	-	-	-
	-	-	-	-

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The impairment of trade receivables is carried out at each reporting date using the expected credit loss model. This model utilises a provision matrix in which the Company's receivables are stratified into groups with similar risk characteristics. Historical credit loss rates are calculated on a weighted average basis. These credit loss rates are then used as the baseline rates for determining the loss rate for each customer group. The credit loss rates are then adjusted for forward looking information and applied against each bucket of trade receivables outstanding at the reporting date to produce the expected credit loss in the period.

Trade receivables mainly comprise of foreign (Malawi, Mozambique and Rwanda). Expected average GDP growth rate, interest rates and exchange rates specific to the above mentioned countries were taken into account in developing the provision matrix. Apart from other factors specific to the individual debtors, the expected inflation rate of United States of America was taken into account since the outstanding debts are mainly USD denominated.

Credit limits are established based on internal rating criteria. Management assesses the credit quality of the customer taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Outstanding customer receivables are regularly monitored. The Company however reduced its credit sales during the year because it perceived a value mis-match between credit offered and value received at the end of the credit term. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are granted short credit terms.

FINANCIAL REPORT

Statement of accounting policies

For the year ended 30 September 2022 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

30 September 2022	Current ZWL	More than 30 days past due ZWL	More than 60 days past due ZWL	More than 90 days past due ZWL	More than 120 days past due ZWL	Total ZWL
Expected credit loss rate	2%	13%	15.28%	16.12%	100%	-
Gross carrying amount						
– trade receivables	712 798 972	222 147 065	61 168 912	11 848 346	2 357 121	1 010 320 416
Credit loss allowance	(15 457 162)	(28 527 265)	(9 346 872)	(1 909 707)	(2 357 121)	(57 598 126)
Net carrying amount	697 341 810	193 619 800	51 822 039	9 938 639	-	952 722 290

Debt securities and other financial assets at amortised cost

All of the Company's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Instruments are considered to be of low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The company does not hold any security for amounts receivable from customers. None of the amounts due from related parties are past due or impaired and repayments have been received regularly and on time historically. The Company has procedures in place to assess whether to enter into once off transactions with third parties, including mandatory credit checks.

INFLATION ADJUSTED						
30 September 2021	Current ZWL	More than 30 days past due ZWL	More than 60 days past due ZWL	More than 90 days past due ZWL	More than 120 days past due ZWL	Total ZWL
Expected credit loss rate	1%	2%	100.00%	100.00%	0%	0%
Gross carrying amount						
– trade receivables	284 414 505	219 307 464	32 075 458	5 050 747	-	540 848 175
Credit loss allowance	(1 550 941)	(4 738 810)	(32 075 458)	(5 050 747)	-	(43 415 957)
Net carrying amount	282 863 564	214 568 654	-	-	-	497 432 218

Debt securities and other financial assets at amortised cost

All of the Company's debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Instruments are considered to be of low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The company does not hold any security for amounts receivable from customers. None of the amounts due from related parties are past due or impaired and repayments have been received regularly and on time historically. The Company has procedures in place to assess whether to enter into once off transactions with third parties, including mandatory credit checks.

HISTORICAL COST						
30 September 2021	Current ZWL	More than 30 days past due ZWL	More than 60 days past due ZWL	More than 90 days past due ZWL	More than 120 days past due ZWL	Total ZWL
Expected credit loss rate	1%	2%	100.00%	100.00%	0%	0%
Gross carrying amount						
– trade receivables	74 766 802	57 651 482	8 431 987	1 327 739	-	142 178 010
Credit loss allowance	(407 711)	(1 245 737)	(8 431 987)	(1 327 739)	-	(11 413 174)
Net carrying amount	74 359 091	56 405 745	-	-	-	130 764 836

Statement of accounting policies

For the year ended 30 September 2022 (continued)

3 Financial risk management (continued)
3.1 Financial risk factors (continued)
c) Liquidity risk

Liquidity risk is the risk that the Company may fail to meet its payment obligations when they fall due, the consequences of which may be the failure to meet the obligations to creditors. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The Company identifies this risk through periodic liquidity gap analysis and the maturity profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps.

Cash flow forecasting is performed by management. Management monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

Surplus cash held by the Company over and above the balance required for working capital management, is invested in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom.

The table below analyses the Company's non-derivative financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

	INFLATION ADJUSTED				Total ZWL
	Up to 1 month ZWL	1 month to 6 months ZWL	6 months to 1 year ZWL	1 year to 5 years ZWL	
At 30 September 2021					
Assets					
Trade and other receivables (excluding prepayments and statutory receivables)	540 848 175	-	-	-	540 848 175
Cash and cash equivalents	903 617 507	-	-	-	903 617 507
	1 444 465 682	-	-	-	1 444 465 682
Liabilities					
Trade and other payables (excluding statutory liabilities)	318 153 526	-	-	-	318 153 526
Borrowings	494 553 296	-	-	-	494 553 296
	812 706 822	-	-	-	812 706 822
Liquidity gap	631 758 860	-	-	-	631 758 860
Cumulative liquidity gap	631 758 860	631 758 860	631 758 860	631 758 860	631 758 860

Statement of accounting policies

For the year ended 30 September 2022 (continued)

3 Financial risk management (continued)
3.1 Financial risk factors (continued)
c) Liquidity risk (continued)

At 30 September 2022	HISTORICAL COST				
	Up to 1 month ZWL	1 month to 6 months ZWL	6 months to 1 year ZWL	1 year to 5 years ZWL	Total ZWL
Assets					
Trade and other receivables (excluding prepayments and statutory receivables)	952 722 290	-	-	-	952 722 290
Cash and cash equivalents	576 723 908	-	-	-	576 723 908
	1 529 446 198	-	-	-	1 529 446 198
Liabilities					
Trade and other payables (excluding statutory liabilities)	371 418 640	-	-	-	371 418 640
Borrowings	1 672 715 899	-	-	-	1 672 715 899
	2 044 134 539	2 044 134 539	2 044 134 539	2 044 134 539	2 044 134 539
Liquidity gap	(514 688 341)	-	-	-	(514 688 341)
Cumulative liquidity gap	(514 688 341)	(514 688 341)	(514 688 341)	(514 688 341)	(514 688 341)

The liquidity risk on foreign creditors and lenders has increased due to delay of foreign payments owing to the challenge of inadequate nostro funds that the country is grappling with. Refer note 10 for additional disclosures under cash and cash equivalents. The Company has mitigating measures 'in place to manage the increase in liquidity risk such as ongoing engagement with banks and participating on the forex interbank market.

3.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown on the statement of financial position plus net debt.

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
The gearing ratio as at 30 September was as follows:				
Total borrowings	1 672 715 899	494 553 296	1 672 715 899	130 008 026
Less: cash and cash equivalents	(576 723 908)	(903 617 507)	(576 723 908)	(237 542 706)
Net debt	1 095 991 991	(409 064 211)	1 095 991 991	(107 534 680)
Total equity	8 057 342 431	6 542 401 343	4 284 489 317	1 203 815 342
Total capital	9 153 334 422	6 133 337 132	5 380 481 308	1 096 280 662
Gearing ratio	12%	0%	20%	0%

Statement of accounting policies

For the year ended 30 September 2022 (continued)

3 Financial risk management (continued)
3.3 Fair value estimation

Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities. The level includes listed equity securities traded on active markets.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that is not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

The hierarchy requires the use of observable market data when available. The Company considers relevant and observable market prices in its valuations where possible. The Company had no financial assets or financial liabilities carried at fair value at 30 September 2022 (2021: ZWLnil).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors (refer to note 2.1), including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Inflation indices and adjustments

The Public Accountants Auditors Board ("the" "PAAB") issued a pronouncement ("Pronouncement 01/2019") on the application of IAS 29 Financial Reporting in Hyperinflationary Economies Standard in Zimbabwe after broad market consensus that factors and characteristics to consider Zimbabwe economy as hyperinflationary have been met. One characteristic that leads to the classification of an economy as hyperinflationary, is a cumulative three year inflation rate approaching or exceeding 100 percent. Pronouncement 01/2019 covered the preparation and presentation of financial statements of entities operating in Zimbabwe for the financial periods ending on or after 1 July 2019. International Financial Reporting Interpretations Committee ("IFRIC"), 7, Economies becoming hyperinflationary, requires that the Company applies the IAS 29 as if the economy was always hyperinflationary.

IAS29 requires that the financial statements prepared in the currency of a hyper inflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms. The restatement was calculated by means of conversion factors derived from the Zimbabwean Consumer Price Index (CPI) issued by Zimbabwe Central Statistical Office.

The indices and conversion factors used to restate the Company's financial statements as at 30 September 2022 are provided below. The indices and 'conversion factors used to restate the accompanying financial statements are as follows:

Date	Conversion factor
30 September 2022	1.00
30 September 2021	3.80
CPI as at 30 September 2020	5.76

The main procedures applied for the above mentioned restatement are as follows:

- 1 Financial assets prepared in the currency of a hyperinflationary economy are stated in terms of the measuring unit current at the balance sheet date. The corresponding figures for the previous period are restated in the same terms of the measuring unit current at the balance sheet date.
- 2 Monetary assets and liabilities that are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.
- 3 Non monetary assets and liabilities that are not carried at current amounts at the balance sheet date and components of shareholders' equity are restated by applying the relevant conversion factors from the date of the transaction to the balance sheet date. Additions to property, plant and equipment are restated using the relevant conversion factors from the date of the transaction to balance sheet date.
- 4 All items in the statement of comprehensive income are restated by applying the relevant monthly conversion factors.
- 5 The effect of inflation on the net monetary position is included in the statement of comprehensive income as a monetary gain or loss on the monetary position.
- 6 All items in the cash flow statement are expressed in terms of the measuring unit current at the statement of financial position date.

b) Carrying amount of property, plant and equipment

The Company carried out an impairment assessment of plant and equipment as at 30 September 2022. The cash generating unit ("CGU") specifically tested for impairment was plant and equipment, which is the smallest group of assets that generate cash inflows independently of other assets held by the Company. There has been no impairment loss recognised for the year ended 30 September 2022 (2021: ZWL nil).

Indicators of impairment

In accordance with IAS 36, 'Impairment', an entity should assess at each reporting date whether there is any indication that an asset may be impaired. The following external and internal sources of information may be indications of impairment:

- The Company has been operating at below current expected monthly capacity level of 200 tonnes with production averaging 176 tonnes per month.
- Repairs and maintenance costs have continued to be significant and constitute approximately 42% of the carrying amount of plant and equipment.
- Prevailing foreign currency shortages adversely impact the Company's ability to import the required quantities of raw material which may impact production.

Statement of accounting policies

For the year ended 30 September 2022 (continued)

4 Critical accounting estimates and Judgements (continued)

b) Carrying amount of plant and equipment (continued) Indicators of impairment (continued)

Impairment review

The recoverable amount of the CGU was determined based on value in use of the plant and equipment. The calculation was based on approved budgetary forecasts, internal forecasts of operating costs, capital expenditure production volumes, costs of production, future cash flows for the next three years, inflation and long term real discount rates. The estimated future cash flows were based on the approved 2020 budget inflated by constant gross profit margins and revenue growth rates, which is based on the Zimbabwe National Budget. Long-term growth rates are based on the Business Monitor International ("BMI") reports, which are specific to Zimbabwe. Also taken into account are the expectations about possible variations in the amount or timing of future cash flows and the time value of money. To address the time value of money, management determined the appropriateness of the applied discount rate. The discount rate applied is the country risk, which has been adjusted for foreign risk and specific risks relating to the Company.

All the above estimates are subject to risks and uncertainties including future availability or continued lack thereof of foreign currency. It is therefore possible that changes can occur which may affect the recoverability of the plant and equipment.

c) Useful lives and residual values of property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. These estimates are based on projected life cycles of these assets. It could change significantly as a result of technological innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

d) Going concern

The Company's ability to continue operating as a going concern may be negatively impacted as the Company continues to operate in a difficult 'hyperinflationary macroeconomic environment characterised by liquidity constraints and foreign currency shortages. The Company's ability to acquire imported raw materials is dependent on its ability to obtain adequate and affordable foreign currency.

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in existence for the 'foreseeable future.

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

- Historical cost revenue increased during the year to ZWL 12.2 billion compared to ZWL 3.3 billion recorded during the 2021 financial year. This increase was mainly attributable to the increased selling prices due to inflationary adjustment. Shortages of foreign currency also prevented other 'customers from directly accessing

the commodities through direct imports and the Company took advantage of the imports restrictions.

- The profitability of the Company improved with the Company reporting a historical cost profit before income tax of ZWL 4.9 billion for the year ended '30 September 2022, compared to a profit for the year of ZWL 1.04 billion for the same period last year.
- Continued cost containment and reduction measures, capital expenditure rationalisation and optimising efficiencies on existing capital.
- The Company secured overdraft and loan facilities amounting to ZWL 1.7 billion (2021:ZWL 100 million with local financial institutions to fund 'working capital requirements. This will alleviate the raw material challenges that the Company is facing.

Accordingly, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

e) Impairment of trade receivables and financial assets

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying expected credit losses model of impairing trade receivables:

- Significant increase of credit risk- in assessing whether the credit risk of an asset has significantly increased the Directors consider qualitative and quantitative reasonable and supportable forward-looking information.
- Model and assumptions used- the Company used a model and assumptions in measuring fair value of financial assets as well as in estimating ECL. Directors have applied judgement in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.
- Business model assessment- the Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of assets and how these are managed.

Notes to the financial statements

For the year ended 30 September 2022 (continued)

5 Segmental information

The executive management team is the Company's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the executive management team for the purposes of allocating resources and assessing performance.

The executive management team considers the business from both a geographic and product perspective. The Company has one product line, and operates in one industry sector.

Revenue is primarily from customers who are domiciled in Zimbabwe though other revenue is from external customers domiciled in, Mozambique, Malawi and Rwanda. The amount of revenue from external customers is as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
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
Revenues from transactions with single local customers that amounted to 10% or more of the Company's revenue amount to approximately ZWL 2 345 219 650 (2021: ZWL 2 062 167 931) inflation adjusted. These revenues are attributable to customers domiciled in Zimbabwe. The breakdown of the revenue from the major individual local customer with revenue of at least 10% is as follows:				
Retail	2 345 219 650	2 062 167 631	1 213 133 216	69 135 774

Entity-wide information

The Company has only one reportable segment. The total historical cost carrying amount of non-current assets located in Zimbabwe is ZWL 33 million (2021: ZWL 3 million) in historical cost, and there are no non-current assets located in other countries. As there is only discrete financial information available for the entire Company, the segment information provided to the executive team for the product reportable segments for the year ended 30 September 2022 is as follows:

	INFLATION ADJUSTED			
	2022 Cables ZWL	2022 Total ZWL	2021 Cables ZWL	2021 Total ZWL
Revenue from customers	21 333 450 596	21 333 450 596	15 040 039 210	15 040 039 210
Depreciation	75 943 718	75 943 718	71 834 788	71 834 788
Share option charge	34 230 640	34 230 640	117 417 020	117 417 020
Profit before interest and taxation	6 602 782 581	6 602 782 581	2 302 481 800	2 302 481 800
Finance income	162 628	162 628	110 899	110 899
Finance cost	1 001 959 316	1 001 959 316	396 644 229	396 644 229
Income tax expense	1 631 327 160	1 631 327 160	1 601 302 732	1 601 302 732
Total assets	12 930 026 772	12 930 026 772	8 617 710 380	8 617 710 380
Total liabilities	4 872 684 341	4 872 684 341	9 213 901 200	9 213 901 200
	HISTORICAL COST			
Revenue from customers	12 217 963 722	12 217 963 722	3 376 708 926	3 376 708 926
Depreciation	2 151 651	2 151 651	580 323	580 323
Share option charge	(8 148 000)	(8 148 000)	46 476 000	46 476 000
Profit before interest and taxation	5 685 501 931	5 685 501 931	1 119 588 415	1 119 588 415
Finance income	49 844	49 844	28 272	28 272
Finance cost	775 817 408	775 817 408	84 129 253	84 129 253
Income tax expense	1 058 365 392	1 058 365 392	273 111 141	273 111 141
Total assets	8 159 303 241	8 159 303 241	1 592 644 912	1 592 644 912
Total liabilities	3 874 813 922	3 874 813 922	388 829 568	388 829 568

Notes to the financial statements

For the year ended 30 September 2022 (continued)

6 Property, plant and equipment

	INFLATION ADJUSTED					
	Land ZWL	Buildings ZWL	Plant and equipment ZWL	Motor vehicles ZWL	Office equipment ZWL	Total ZWL
Year ended 30 September 2021						
Opening carrying amount	21 323 251	117 454 262	346 763 806	112 304 283	-	597 845 602
Depreciation charge for the year	-	(4 118 382)	(32 200 759)	(35 515 647)	-	(71 834 788)
Closing carrying amount	21 323 251	113 335 880	314 563 047	76 788 636	-	526 010 814
As at 30 September 2021						
Cost	21 323 251	164 240 768	641 705 734	250 993 661	11 138 901	1 089 402 315
Accumulated depreciation	-	(50 904 888)	(327 142 687)	(174 205 025)	(11 138 901)	(563 391 501)
Closing carrying amount	21 323 251	113 335 880	314 563 047	76 788 636	-	526 010 814
Year ended 30 September 2022						
Opening carrying amount	21 323 251	113 335 880	314 563 047	76 788 636	-	526 010 814
Additions	-	-	-	73 957 049	-	73 957 049
Depreciation charge for the year	-	(4 118 587)	(32 200 759)	(39 624 372)	-	(75 943 718)
Closing carrying amount	21 323 251	109 217 293	282 362 288	111 121 313	-	524 024 145
As at 30 September 2022						
Cost	21 323 251	164 240 768	641 705 734	324 950 709	11 138 901	1 163 359 363
Accumulated depreciation	-	(55 023 475)	(359 343 446)	(213 829 397)	(11 138 901)	(639 335 219)
Closing carrying amount	21 323 251	109 217 293	282 362 288	111 121 312	-	524 024 144
	HISTORICAL COST					
	Land ZWL	Buildings ZWL	Plant and equipment ZWL	Motor vehicles ZWL	Office equipment ZWL	Total ZWL
Year ended 30 September 2021						
Opening carrying amount	105 143	579 255	1 772 012	1 307 144	-	3 763 554
Depreciation charge for the year	-	(20 307)	(209 807)	(350 209)	-	(580 323)
Closing carrying amount	105 143	558 948	1 562 205	956 935	-	3 183 231
As at 30 September 2021						
Cost	105 143	809 555	3 419 634	2 086 733	54 925	6 475 990
Accumulated depreciation	-	(250 607)	(1 857 429)	(1 129 798)	(54 925)	(3 292 759)
Closing carrying amount	105 143	558 948	1 562 205	956 935	-	3 183 231
Year ended 30 September 2022						
Opening carrying amount	105 143	558 948	1 562 205	956 935	-	3 183 231
Additions	-	-	-	32 036 968	-	32 036 968
Depreciation charge for the year	-	(20 307)	(209 352)	(1 921 992)	-	(2 151 651)
Closing carrying amount	105 143	538 641	1 352 853	31 071 911	-	33 068 548
As at 30 September 2022						
Cost	105 143	809 555	3 419 634	34 123 701	54 925	38 512 958
Accumulated depreciation	-	(270 914)	(2 066 781)	(3 051 790)	(54 925)	(5 444 410)
Closing carrying amount	105 143	538 641	1 352 853	31 071 911	-	33 068 548

Notes to the financial statements

For the year ended 30 September 2022 (continued)

7 Inventories

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Raw materials and consumables	3 983 103 919	2 551 676 522	2 260 707 950	389 389 792
Work in progress	344 393 249	234 221 787	344 393 249	55 021 107
Finished goods	5 377 357 421	2 966 383 488	2 729 522 128	488 319 750
	9 704 854 589	5 752 281 797	5 334 623 327	932 730 649
Provision for slow moving and obsolete inventories	(16 225 877)	(10 634 807)	(16 225 877)	(2 795 676)
	9 688 628 712	5 741 646 990	5 318 397 450	929 934 973
There were no inventories written down to net realisable value during the year (2021: ZWL nil). There were no inventories pledged as security during the year (2021: ZWL nil).				
The analysis for the provision for slow moving and obsolete inventories is as follows:				
As at 1 October	10 634 807	37 734 540	2 795 676	464 854
Provision recognised during the year	5 591 069	(27 099 733)	13 430 201	2 330 822
As at 30 September	16 225 877	10 634 807	16 225 877	2 795 676
8 Trade and other receivables				
Trade receivables - gross	1 010 320 416	540 848 175	1 010 320 416	142 178 010
Less: Allowance for expected credit losses	(57 598 126)	(43 415 957)	(57 598 126)	(11 413 174)
Trade receivables - net	952 722 290	497 432 218	952 722 290	130 764 836
Prepayments	1 186 503 429	942 427 262	1 122 020 912	246 286 952
Other receivables	1 424 289	6 575 589	1 424 289	1 728 589
	2 140 650 008	1 446 435 069	2 076 167 491	378 780 377
Impairment and risk exposure				
Note 3.1 sets out information about the impairment of trade and other financial assets and the company's exposure to credit risk.				
The movements in the allowance for expected credit losses measured at amortised cost are as follows:				
As at 1 October	43 415 957	18 973 933	11 413 174	3 291 257
- allowance for expected credit losses	44 184 854	31 079 500	44 184 854	8 170 172
- movement in payments from customers	2 000 098	(183 563)	2 000 098	(48 255)
- effects of inflation	32 002 783	6 453 913	-	-
As at 30 September	57 598 126	43 415 957	57 598 126	11 413 174

The carrying amounts of the Company's trade and other receivables are denominated in ZWL.

Due to their short term nature, the carrying amount of trade and other receivables is considered to be the same as their fair value.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Company does not hold any collateral in relation to these receivables.

Notes to the financial statements

For the year ended 30 September 2022 (continued)

9 Cash and cash equivalents

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Cash at bank	465 526 390	848 167 677	465 526 390	222 966 071
Cash on hand	111 197 518	55 449 830	111 197 518	14 576 635
	576 723 908	903 617 507	576 723 908	237 542 706

10 Reserves
10.1 Authorised

50 000 000 ordinary shares with a nominal value of ZWL 0.00001 each.

100 000 5.5% cumulative preference shares of ZWL 0.00001 each

99 156	99 156	500	500
1	1	1	1

10.2 Issued and fully paid

	INFLATION ADJUSTED				HISTORICAL COST		
	Number of ordinary shares in issue	Nominal value of ordinary shares ZWL	Share premium ZWL	Total ZWL	Nominal value of ordinary shares ZWL	Share premium ZWL	Total ZWL
As at 1 October 2020	33 281 500	65 669	75 819 846	75 885 515	333	1 291 321	1 291 654
Employee share option scheme:							
Shares issued	107 500	11	143 906	143 917	1	26 875	26 876
Share options exercised	-	-	51 861 203	51 861 203	-	6 530 624	6 530 624
As at 30 September 2021	33 389 000	65 680	127 824 955	127 890 635	334	7 848 820	7 849 154
As at 1 October 2021	333 890 00	65 680	127 824 955	127 890 635	334	7 848 820	7 849 154
Employee share option scheme:							
Shares issued	200 000	2	33 803 717	33 803 719	2	9 999 998	10 000 000
Share options exercised	-	-	14 873 636	14 873 636	-	14 400 003	14 400 003
As at 30 September 2022	33 589 000	65 682	176 502 308	176 567 990	336	32 248 821	32 249 157

The unissued share capital is under the control of the Directors subject to the limitations of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

Notes to the financial statements

For the year ended 30 September 2022 (continued)

10.3 Share option reserve

Share options are granted to Directors and selected employees. The Directors were empowered to allot 3 232 700 unissued ordinary shares to senior personnel for the purpose of fulfilling the requirements of the employee share option scheme. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. Under the scheme, share options granted in 2010 are exercisable between 31 December 2013 and 31 December 2020 at a price of ZWL 0.12 cents per share and share options granted in 2014 are exercisable between 31 December 2015 and 31 December 2020 at a price of ZWL 0.25 cents per share, and shares granted in 2018 at a price of ZWL 50.00 are exercisable between 7 October 2021 and 31 December 2023. The Company has no legal or constructive obligation for repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2022 Number of share options issued	2022 Exercise price per share ZWL	2021 Number of share options issued	2021 Exercise price per share ZWL
Options authorised	3 232 700		3 232 700	
Outstanding at the beginning of the year	-		107 500	0.25
Outstanding at the beginning of the year	600 000	50.00	600 000	50.00
	600 000		707 500	
Exercised	(200 000)	50.00	(107 500)	0.25
			(107 500)	
Total shares outstanding at the end of the year	400 000		600 000	
Outstanding at the end of the year, expiring 31 December 2023	400 000	50.00	600 000	50.00

Share options outstanding at the end of the year have the following exercisable dates, expiry dates and exercise prices.

Grant date	Exercisable date	Expiry date	Exercise price per share ZWL	2022 Number of share options	2021 Number of share options
6 September 2018	7 October 2021	31 December 2023	50.00	-	200 000
6 September 2018	7 October 2022	31 December 2023	50.00	200 000	200 000
6 September 2018	7 October 2023	31 December 2023	50.00	200 000	200 000
				400 000	600 000

400 000 share options under share option scheme are exercisable between 7 October 2022 and 31 December 2023.

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
The movement on the share option reserve is as follows:				
As at 1 October	231 847 489	166 291 672	60 948 002	21 002 626
Share options exercised	(14 873 636)	(51 861 203)	(14 400 003)	(6 530 624)
Charge to the income statement	34 230 640	117 417 020	(8 148 000)	46 476 000
As at 30 September	251 204 493	231 847 489	38 399 999	60 948 002

Notes to the financial statements

For the year ended 30 September 2022 (continued)

11 Deferred income taxes

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2022 ZWL
The analysis of deferred tax assets and deferred income tax liabilities is as follows:				
Deferred tax assets:				
Deferred tax assets to be recovered after more than 12 months	-	-	-	-
Deferred tax assets to be recovered within 12 months	-	-	154 945 844	43 203 265
	-	-	154 945 844	43 203 265
Deferred tax liabilities:				
Deferred tax liabilities to be settled after more than 12 months	1 057 410 527	596 190 819	-	-
Deferred tax liabilities to be settled within 12 months	-	-	-	-
	1 057 410 527	596 190 819	-	-
Deferred tax liabilities and assets	1 057 410 527	596 190 819	154 945 844	43 203 265
The gross movement on the deferred income tax account is as follows:				
At 1 October	596 190 819	181 772 586	43 203 625	4 306 908
Statement of comprehensive income (note 22)	461 219 708	414 418 233	111 742 219	38 896 717
As at 30 September	1 057 410 527	596 190 819	154 945 844	43 203 625
12 Trade and other payables				
Trade payables	324 887 712	298 587 402	324 887 712	78 492 569
Social security expenses and other taxes	78 023 866	32 071 589	78 023 866	8 430 970
Value added tax ("VAT")	23 793 962	120 459 138	23 793 962	31 666 263
Accrued expenses	46 530 928	19 566 124	46 530 928	5 143 537
	473 236 468	470 684 253	473 236 468	123 733 339

Trade and other payables are due within twelve months of the reporting date.

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short term nature.

Notes to the financial statements

For the year ended 30 September 2022 (continued)

13 Provisions for other liabilities and charges-inflation adjusted and historical cost

Provisions for other liabilities and charges comprises provisions for bonuses and leave pay. The movements during the year are as follows:

	Leave pay provision ZWL	Bonus provision ZWL	Total ZWL
Year end 30 September 2021			
As at 1 October 2020	63 408 812	206 516 994	269 925 806
Utilised in the current year	(63 408 812)	(206 516 994)	(269 925 806)
Charged to the income statement	58 508 031	205 927 972	264 436 003
As at 30 September 2021	58 508 031	205 927 972	264 436 003
Year end 30 September 2022			
As at 1 October 2021	58 508 031	205 927 972	264 436 003
Utilised in the current year	(58 508 031)	(205 927 972)	(264 436 003)
Charged to the income statement	125 988 777	415 476 415	541 465 192
As at 30 September 2022	125 988 777	415 476 415	541 465 192

14 Current income tax payables

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
As at 1 October	249 444 666	308 984 770	65 573 942	53 625 874
Effect of IAS 29	111 056 801	43 034 010	-	-
Tax paid during the year	(1 175 299 664)	(1 289 458 643)	(820 832 031)	(300 059 790)
Tax charge for the year (note 22)	1 170 107 452	1 186 884 499	1 170 107 611	312 007 858
	355 309 255	249 444 666	414 849 363	65 573 942

15 Borrowings

Bank overdraft	866 604 340	30 531	866 604 340	8 026
Loan	806 111 559	494 522 765	806 111 559	130 000 000
	1 672 715 899	494 553 296	1 672 715 899	130 008 026

All the borrowings are short term (not exceeding 12 months) and bear interest ranging between 200%- 208% per annum.

16 Dividend payable

Dividend declared	772 547 000	-	772 547 000	-
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The Directors declared a dividend of ZWL 772 547 000 for the year ended 30 September 2022 (2021: ZWL nil).

Notes to the financial statements

For the year ended 30 September 2022 (continued)

17 Revenue from contracts with customers

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
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

18 Expenses by nature

Raw materials and consumables	9 829 045 887	7 736 599 369	4 348 082 324	1 508 595 399
Employee benefit expense (note 19.1)	3 332 805 432	2 322 586 527	1 397 272 360	427 689 689
Audit fees				
- Current year	35 927 088	31 447 612	21 335 261	6 764 680
Directors' emoluments				
- Fees	82 988 193	28 189 456	27 869 702	6 209 989
Postage and telephone	8 238 314	8 674 998	4 671 112	1 904 411
Canteen	84 047 714	42 537 338	54 642 092	9 389 525
Trade promotion	22 518 341	6 988 105	13 195 078	1 444 772
Plant repairs and maintenance	698 251 054	411 405 582	404 003 246	91 499 021
Building repairs and maintenance	151 018 405	69 503 763	88 190 440	16 063 212
Vehicle repairs and maintenance	106 222 979	61 719 408	62 166 472	13 503 653
Electricity and water	210 373 715	178 138 969	128 484 972	37 267 371
Depreciation (note 6)	75 943 718	71 834 788	2 151 651	580 323
Quality and ISO certifications	91 080 756	76 615 271	84 900 378	10 285 134
Security	105 576 276	56 794 079	68 597 371	12 372 840
Machine running expenses	111 357 450	85 201 753	63 011 726	18 994 429
Insurance	49 458 382	60 033 736	27 486 575	13 106 976
Secretarial and listing related costs	33 865 915	19 870 678	15 829 848	4 448 917
Legal and professional fees	16 442 622	19 680 260	11 847 312	4 528 577
Cleaning and laundry	19 698 508	12 086 589	12 600 082	2 656 248
Subscriptions	30 618 337	16 270 670	18 247 216	3 855 752
Computer expenses	45 619 931	30 987 869	30 804 715	6 800 633
Bank charges	104 306 100	32 589 210	63 491 503	8 563 868
Travel	25 429 787	62 898 176	32 401 614	16 667 394
Freight outwards	70 513 193	37 982 833	46 422 413	8 568 899
Forklifts hire	68 402 912	79 363 863	36 205 466	17 204 270
Allowance for impairment of trade receivables (note 8)	44 184 854	31 079 500	44 184 854	8 170 172
Clinic expenses	21 882 578	32 290 081	3 711 582	6 394 101
Protective clothing	14 459 867	16 107 801	6 291 150	3 251 943
Printing and stationery	64 365 008	36 075 805	25 616 172	8 052 496
2% government levy	258 977 500	96 098 032	134 894 167	23 136 338
Packaging	5 871 481	3 134 289	2 529 211	582 404
Provision recognised for slow moving and obsolete inventories (note 7)	5 591 070	(27 327 975)	13 430 201	2 330 822
Other expenses	263 622 143	1 229 894 007	373 473 989	11 250 044
Total cost of sales, distribution costs and administrative expenses	16 088 705 510	12 977 352 446	7 668 042 255	2 312 134 300
The cost of sales, distributions costs and administrative expenses have been disclosed as follows:				
Cost of sales	12 462 301 078	10 629 542 001	5 450 182 535	1 815 024 771
Distribution costs	93 031 537	45 236 272	63 089 376	10 073 671
Administrative expenses	3 489 188 041	2 271 494 673	2 110 585 490	478 865 688
Allowance for impairment of trade and other receivables	44 184 854	31 079 500	44 184 854	8 170 172
	16 088 705 510	12 977 352 446	7 668 042 255	2 312 134 300

Notes to the financial statements

For the year ended 30 September 2022 (continued)

18 Expenses by nature (continued)
18.1 Employee benefit expense

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Salaries – executive management	815 858 958	805 599 496	520 257 615	88 894 490
Salaries and wages – non executive employees	2 244 219 064	1 263 182 351	750 050 082	262 859 827
Social security costs (note 24)	24 309 445	5 596 507	15 723 165	1 300 884
Pension costs (note 24)	166 462 723	102 104 971	96 496 815	22 316 328
Share options charge	34 230 640	117 417 020	(8 148 000)	46 476 000
Recognition expenses	5 853 404	3 514 935	623 676	709 516
Attendance hamper	41 871 198	25 171 247	22 269 007	5 132 644
	3 332 805 432	2 322 586 527	1 397 272 360	427 689 689
19 Other income				
Scrap sales	17 210 446	66 101 184	10 932 748	13 066 958
Exchange gains	1 327 492 266	164 728 885	1 113 101 145	39 788 983
Other	5 288 527	(18 077)	3 901 669	(6 408)
	1 349 991 239	230 811 992	1 127 935 562	52 849 533
20 Other gains				
Profit from disposal of motor vehicles	8 046 256	8 983 044	7 644 902	2 164 258
21 Finance income				
Finance cost	1 001 959 316	396 644 229	775 817 408	84 129 253
Interest income on current accounts with banks	(162 628)	(110 899)	(49 844)	(28 272)
22 Income tax expense				
Current income tax on profits for the year	1 170 107 452	1 186 884 499	1 170 107 611	312 007 858
Deferred income tax (note 12)	461 219 708	414 418 233	(111 742 219)	(38 896 717)
	1 631 327 160	1 601 302 732	1 058 365 392	273 111 141
The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the basic tax rate applicable to profits of 24.72% .				
Profit before income tax	3 850 780 889	603 855 656	4 909 734 367	1 035 487 434
Notional taxation on profit for the year at a statutory rate of 24.72%	951 913 036	149 273 118	1 213 686 336	255 972 494
Tax effects of:				
Income not subject to tax	-	8 340 438	-	2 061 057
Non-deductible expenditure	156 250 036	78 371 080	56 249 775	17 208 177
Permanent differences application of IAS 29	834 735 329	1374 423 161	-	-
Recoupment on motor vehicles	928 831	7 575 811	928 831	1 991 527
	1 631 327 160	1 601 302 732	1 058 365 392	273 111 141

Notes to the financial statements

For the year ended 30 September 2022 (continued)

23 Earnings per share

23.1 Basic earnings per share

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 cents	2021 cents	2022 cents	2021 cents
Profit/(loss) attributable to the ordinary equity holders of the Company	2 219 453 729	(997 447 076)	3 851 368 975	762 376 293
Weighted average number of ordinary shares in issue (note 10)	33 589 000	33 389 000	33 589 000	33 389 000
Basic earnings per share attributable to the ordinary equity holders of the Company (cents)	6 608	(2 987)	11 466	2 283

23.2 Diluted earnings per share

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Profit/(loss) attributable to the ordinary equity holders of the Company	2 219 453 729	(997 447 076)	3 851 368 975	762 376 293
Weighted average number of shares in issue (note 10)	33 589 000	33 389 000	33 589 000	33 389 000
Adjustment for: Share options outstanding at year end (note 10)	400 000	600 000	400 000	600 000
	33 989 000	33 989 000	33 989 000	33 989 000
Diluted earnings per share (cents)	6 530	(2 935)	11 331	2 243

24 Pension benefits

CAFCA Pension Fund

The Company provides for pensions on retirement of all employees by means of a defined contribution pension fund. The pension fund scheme is administered by Marsh Employee Benefits Zimbabwe (Private) Limited. Contributions are made by both the Company and the employees at a rate of 11.5% and 7% respectively. All employees including Executive Directors comprising full-time permanent staff of the employer are eligible to be members of the fund.

The Company and its employees contribute to the National Social Security Authority ("NSSA") Scheme. This is a social security scheme which was promulgated under the National Social Security Act (Chapter 17:04). The Company's obligations under the scheme are limited to specific contributions as legislated from time to time.

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Contributions recognised as an expense for the year are as follows:				
Social security costs (note 18)	24 309 445	5 596 507	15 723 165	1 300 884
Pension costs (note 18)	166 462 723	102 104 971	96 496 815	22 316 328
	190 772 168	107 701 478	112 219 980	23 617 212

Notes to the financial statements

For the year ended 30 September 2022 (continued)

25 Related party transactions

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Transactions with related parties				
i) Purchases of goods				
CBI Electric African Cables – A division of ATC (Proprietary) 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
	934 882 202	442 126 112	322 877 578	89 127 082
ii) Sales of goods				
Metal Fabricators of Zambia plc ("Zamefa")	630 053	-	630 053	-
CBI Electric Telecoms Cables (Proprietary) Limited	-	7 652 941	-	1 429 225
	630 053	7 652 941	630 053	1 429 225
Balances with related parties				
iii) Related party receivables				
Metal Fabricators of Zambia plc ("Zamefa")	630 053	-	630 053	-
Key management compensation				
Key management includes directors (executive and non-executive) and executive managers (members of the executive committee).				
Salaries and other short - term benefits	815 858 958	805 599 496	520 257 615	88 894 491
Share options charge	34 230 640	117 417 020	(8 148 000)	46 476 000
Directors' emoluments - Fees	82 988 193	28 189 456	27 869 702	6 209 989
	933 077 791	951 205 972	539 979 317	141 580 480

There were no loans made to directors or key management of the Company during the year (2021: ZWLnil).

26 Capital commitments

The Company had no significant capital expenditure contracted for by the directors at the reporting date (2021: ZWLnil).

27 Contingencies

The Company did not have any contingent assets or liabilities at the reporting date (2021: ZWLnil).

28 Events after reporting date

There were no material events, after the statement of financial position date that have a bearing on the understanding of these financial statements.

SHAREHOLDERS' INFORMATION

Analysis of shareholding

		Number of shareholders	%	Number of shares	%
1	-	500			
501	-	1000	219	33.95	42 677
1001	-	5000	117	18.14	85 572
5001	-	10000	202	32.32	434 744
10001	-	50000	39	6.05	262 260
50001	-	100000	44	6.82	995 214
100001	-	and above	6	0.93	449 552
			18	2.79	31 323 981
Total			645	100	33 589 000
					100

Non-public shareholders are defined in the Zimbabwe Stock Exchange Listing Requirements, which requires disclosure of public and non-public shareholders, as follows:

- The directors of the Company;
- An associate of the Company or any subsidiaries;
- The trustees of any employee share scheme or pension fund established for the benefit of any director or employees of the Company and its subsidiaries.
- Any person who, by virtue of any agreement, has the right to nominate a person to the board of the Company; or
- Any person who, is interested in more than 10% or more of the securities of the Company of the relevant class unless exempted by the committee.

Reunert Electrical Engineering (Proprietary) Limited, Cape Canary, Crystal Ball Group Investment, Messina Investments, and the directors' interests in the ordinary shares of the Company disclosed on page 5 are categorised as non-public shareholders of the Company.

Ratios and statistics

	2022	2021	2020	2019	2018
Number of shares (000)	33 589	33 389	33 281.5	33 144	33 059
Attributable earnings per share	6 608	2 283	955	125	11.67
Diluted earnings per share	6 530	952	123	123	11.53
Price to earnings ratio	2.57	7.45	6.39	1.20	7.33
Market price (cents)	17 000	17 000	6 100	150	85.50
Profitability (%)					
Operating profit	47	33	49	58	17
Solvency					
Financial gearing ratio (%)	20	0	26	5	0
Interest cover (times)	21	13	33	53.2	0
Shareholders funds to turnover (%)	35	33	46	60	53
Liquidity					
Current assets to interest free liabilities and short term borrowings	2.06	3.98	2.52	5.13	3.39
Other					
Number of employees-permanent	260	225	216	212	204
Number of shareholders	645	639	602	594	594

SHAREHOLDERS' INFORMATION

Top 20 shareholders at 30 September 2022

Shareholder	Number of shares	% of total
1 REUNERT ELECTRICAL ENGINEERING PTY LIMITED	9 564 318	28.47
2 CAPE CANARY	8 313 861	24.75
3 CRYSTAL BALL GROUP INVESTMENT	5 200 245	15.48
4 MESSINA INVESTMENTS	3 864 545	11.51
5 HONOUR MKUSHI FAMILY TRUST	966 854	2.88
6 NATIONAL SOCIAL SECURITY (WCIF)	712 224	2.12
7 DELWARE TRADING (PRIVATE) LIMITED	586 975	1.75
8 DELTA ENFIELD CABLES	448 800	1.34
9 NATIONAL PENSION SCHEME	413 461	1.23
10 RADIA PRAKASH	389 479	1.16
11 CAROLINE KANGARA	223 988	0.67
12 AVENELL INVESTMENTS(PRIVATE)LIMITED	141 207	0.42
13 STEPHENSON P.H	130 000	0.39
14 GODFREY MAVERA	130 000	0.39
15 VALLEY STORES	125 000	0.37
16 GEZMARK INVESTMENTS (PRIVATE)LIMITED	120 549	0.36
17 WILSON ESQ,KENT RAYMOND	120 000	0.36
18 DUMISANI MHLANGA	95 000	0.28
19 FERBROS NOMINEES(PTY)LTD	92 367	0.27
20 PEOPLES OWN SAVINGS BANK	86 600	0.26
	31 725 473	94.45
OTHER	1 863 527	5.55
TOTAL	33 589 000	100.00

Shareholders' calendar 2023 - 2024

2022 Annual report distributed	January 2023	2023 Results announced	Nov 2023
77th Annual General Meeting	February 2023	2023 Annual report	Jan 2024
2022 Half-year results announced	May 2023	78 th Annual General Meeting	Feb 2024

SHAREHOLDERS' INFORMATION

Notice to shareholders

Notice is hereby given that the 77th annual general meeting of the members of CAFCA Limited will be at 12.00 noon on Thursday 23 February 2023. Shareholders are being advised that, the Company will hold a virtual meeting, details of which will be communicated in due course. The agenda of the meeting is set out below:-

Ordinary Business

1. To receive and consider the directors' report, audited financial statements and the report of the auditors for the year ended 30 September 2022.
2. To appoint Messrs Grant Thornton as auditors for the ensuing year.
3. To approve the audit fees for the year.
4. To sanction dividend of ZWL23 00 per share declared on 29 September 2022.
5. To re-elect as director Mr H.P Mkushi
6. To re-elect as director Mr G.J.H Steyn
7. To elect Messr Mr T. Chigumbu as director

Notes:

1. A member entitled to vote at the above meeting may appoint one or more proxies as alternative or alternates to attend the meeting, to vote and speak in the member's stead.

A proxy need not be a member.

2. Proxy forms must be lodged with the company secretary at least 48 hours before the commencement of the meeting.
3. Details of the Virtual AGM will be sent by our transfer secretaries, First Transfer Secretaries (Pvt) Ltd through email to shareholders. Shareholders are advised to update their contact details with the transfer secretaries on the following contacts:

First Transfer Secretaries (Private) Limited

1 Armagh Avenue, Eastlea, Harare: Telephone: +263 242 782 869/7 Email: info@fts-net.com

Shareholders are encouraged to preregister on the online portal that will be provided by the transfer secretaries and submit proxy form 48 hours before the meeting. In order to ensure full considerations and shareholders participation, all queries/questions must be submitted to the Company and/or transfer secretaries at least 48 hours before the meeting. All the submitted questions will be read out and answered during the meeting by the Chairman and the Directors.

Please be advised that the 2022 Annual Report can be accessed on the company's website: www.cafca.co.zw. Electronic copies of the 2022 Annual Report (which includes financial statements, Directors' and Auditors' Report) shall be emailed to those shareholders whose email addresses are on record.

By order of board

C.Kangara

Company Secretary

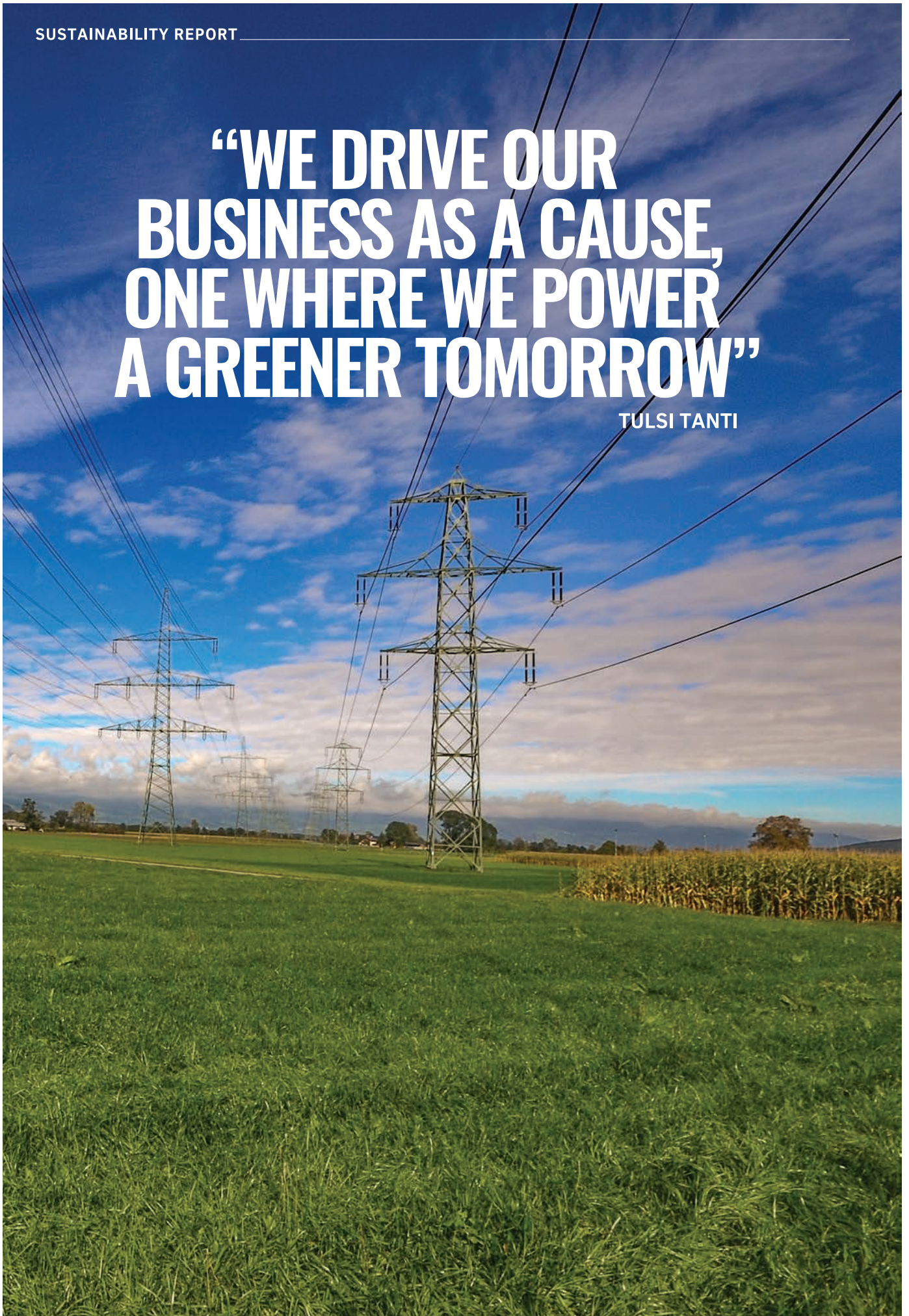
31 December 2022

Proxy information

1. A member of CAFCA Limited who is entitled to attend and cast a vote at a general meeting of the Company may:
 - Vote personally at the meeting or appoint:
 - not more than two proxies,
 - an attorney, or
 - in case of a body corporate, a corporate representative to attend the meeting.
2. A proxy need not be a member of CAFCA Limited.
3. When more than one proxy is appointed, each proxy must be appointed to represent a stated proportion of the member's voting rights. If no proportion is specified, the appointment is of no effect.
4. Unless the member specifically directs the proxy how to vote, the proxy may either vote as he/she thinks fit, or abstain from voting.
5. Where the member is a natural person, the proxy form must be signed either by the member personally or by a duly appointed attorney.
6. If an attorney signs the proxy form on behalf of a member, the relevant power of attorney or the authority under which it is signed, or a certified copy thereof must be deposited together with the proxy form at the Company's registered offices.
7. Where a member is a body corporate, the proxy must be executed in accordance with the laws of the country of incorporation and in terms of the Memorandum and Articles of Association of the Company.
8. Any person who is a joint holder of shares may appoint a proxy and, if more than one of the joint holders appoints a proxy or seeks to vote personally at the meeting, then the person whose name stands first on the register shall alone be entitled to vote.
9. In the case of joint holders of shares, all holders must sign the proxy form.
10. The proxy form must be received by the company secretary NOT LATER THAN forty-eight (48) hours before the scheduled time of the annual general meeting.

**“WE DRIVE OUR
BUSINESS AS A CAUSE,
ONE WHERE WE POWER
A GREENER TOMORROW”**

TULSI TANTI



DIRECTORS' REPORT

1.0 Managing Director's overview

Financial year 2022, came with serious economic turbulences which put many businesses to the test. Besides affecting the business side of the organisation, the difficult operating environment also pressured social and health and safety performances. Strategically, mental health and wellness programs became such a focus for the work force to remain productive, healthy and safe. In February 2022, the organisation invested in mental health awareness training where all employees participated. This was to help employees cope with the pressures, correct their attitudes and behavior and realign reality with expectations. Structures were also put in place to react to changes in needs and expectations of all other interested parties.

Total headcount increased significantly by 35% in FY22, as the organisation took over services which were once being done by contractors. Contractors were contributing disproportionately to safety incidents and acts of dishonesty.

Production output increased to a total of 2784 tonnes. Energy consumption increased by 1%. Emission increased by 1%. However, it should be noted that carbon emissions per ton of output decreased by 11% and energy consumption per ton of output decreased by 13%. This is a significant improvement in production efficiencies in line with of the ISO 50001 Energy Management System opportunities for improvement.

Redundant copper availability continues to dwindle causing a 26% decrease in the amount of recycled copper resulting in imported copper rod increasing by 153%. The organisation continues to harvest redundant copper locally to reduce the foreign currency requirements to import copper. The organisation also started a project to refine copper and improve the recycling process. All necessary legal compliance requirements were met including getting approval from Environmental Management Agency (EMA).

Cafca continues with waste recycling, recovery and reduction activities to sustain the zero waste to the landfill initiative implemented in November 2019. There are projects also to reduce/eliminate waste generation at source which started in FY 22 and will continue to be implemented in the coming year.

The number of accidents reduced from 15 in FY 21 to 10 in FY 22. No fatalities were recorded. Attitude and Behavioral issues continue to be a challenge in dealing with accidents. The organisation continues to implement the Behavior Based Intervention system and enforcing procedures to eliminate accidents.

The organisation continues to maintain the four strategic certifications, ISO 14001:2015, ISO 9001:2015, ISO 45001:2018 and ISO 50001:2018.

Despite the existing hard economic environment in the country, the organisation continued to do well because of the commitment and contributions by every employee. Let me take this opportunity to express my sincere gratitude to the board of directors, our customers, employees, and all other stakeholders for a fruitful FY22. As we enter the coming financial year we will continue to depend on the employees support as they are integral partners in our business.

Further information on the organisation's performance, operations and out-look position is covered in the Managing Director's report refer to page 10.



GRI 102 - 14

R.N. WEBSTER
MANAGING DIRECTOR



2.0 About this report

This is the 8th sustainability report covering the financial year October 2021 to September 2022 (FY22). The report is integrated with the financial results and is done annually.

All data and information refer back to FY2016 for the purposes of comparison. Issues reported in this document are within the confines of CAFCA Limited as guided by internal procedures. CAFCA has complied with all the disclosures required when preparing a report in accordance with the GRI Standards (Core option). There have been no changes in reporting during the FY 22 period.

A copy of this report can be obtained upon request from CAFCA through its Management Representative. We greatly appreciate and value your feedback. Questions regarding the sustainability report and its contents may be sent via email to marketing@cafca.co.zw.

Contact person is Phillip Tashayawedu,
Chief Engineer, CAFCA Ltd
P.O Box 1651, Harare.

GRI 102 - 50 to GRI 102 - 54, GRI 102 - 49

2.1 Stakeholders and materiality

2.1.1 REPORTING PRINCIPLES

The report content and topic boundaries were gathered by considering the organisation’s activities, impacts and the expectations and interests of its stakeholders. The reporting principles that were used are sustainability context, stakeholder inclusiveness, materiality and completeness as guided by GRI 101 standard.

A GRI standard Context Index is made part of this report to show the topics covered in the wider context of sustainability reporting.

2.1.2 MATERIALITY

Material topics for CAFCA and its stakeholders were identified through internal processes which are meetings, partnerships, collaborations, consultations, information/knowledge sharing and feedback from customers. All the identified material topics were mapped to indicate their significance both to CAFCA business and stakeholders.

The material topics are listed below:

Economic	Economic performance, market presence
Environment	Materials, Energy, Water, Emissions, Effluents and Waste.
Social	Employment, Labour-management relations, Health and Safety, Training and Education, Freedom of association and collective bargaining

2.4 External Assurance

No external assurance was done on this report. Internal procedures and standing instructions were enforced to ensure that the information used in this report is correct and representative of what is happening in CAFCA processes. All CAFCA management system procedures are documented in the Business Manual for continuity and repeatability.

GRI 102 - 56

3.0 About CAFCA

Information covering the company profile, mission statement, corporate information and operating principles (shared values), refer to page 1 and 2 of this Integrated Annual report

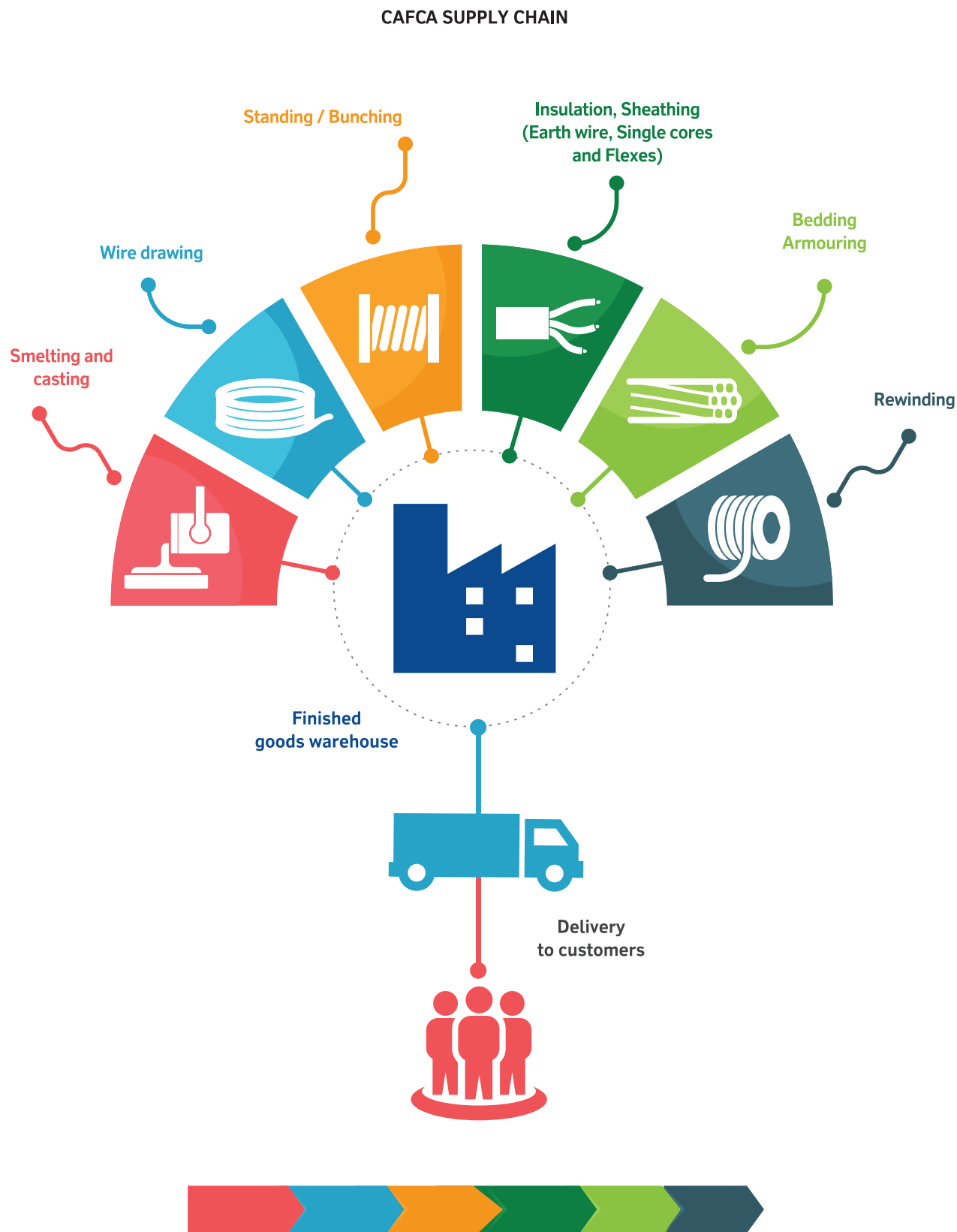
3.1 CAFCA overview

We refer you to “CAFCA Overview” section of the Integrated Annual report (pages 1 & 3).

GRI 102 - 01 to 05

3.2 CAFCA supply chain

(see diagram overleaf)



Key raw materials: a) Copper, b) Aluminium, c) Polyvinyl Chloride, d) Polythene, and e) Galvanized Steel Wire

Key raw materials

- a) Copper,
- b) Aluminium,
- c) Polyvinyl Chloride,
- d) Polythene, and
- e) Galvanized Steel Wire

Raw materials are as stated above and copper remains the main raw material in the production of CAFCA cables All of these raw materials are imported. The organisation however continues to buy local when available. In the year under review there was a 26% reduction in the amount of redundant copper used. The organisation heavily depends on it because of scarce foreign currency to import copper. Redundant copper availability continue to dwindle causing a 26% decrease in the amount of recycled copper and to compliment production requirements, imported copper rod increased by 153%. However, the organisation continues to harvest redundant copper locally to reduce the required foreign currency to import copper. The organisation also started a project to refine copper and improve the recycling process. All necessary legal compliance requirements were met including getting approval from Environmental Management Agency (EMA).

The organisation continues to rely on its traditional suppliers of raw materials, machine spare parts and services. An approved suppliers' database is in place and suppliers are evaluated annually for performance and compliance. Evaluation covers economic, environmental, quality, health and safety contribution to continually improve products and services in the wider context of sustainability. Prior to purchasing of energy consuming equipment and services, energy efficiency evaluation is done.

CAFCA subscribes to national and international standards for the manufacture of its products. These are: SAZ 240, SAZ 732, SANS 1507, SANS 1339, SANS 1418 and BS 215 standards. Finished goods can be purchased and collected at the retail shop at the factory site in Harare, Bulawayo retail shop, and through retailers across the country. CAFCA also provides consignment stock to selected key users within and outside Zimbabwe.

3.3 Changes in supply chain

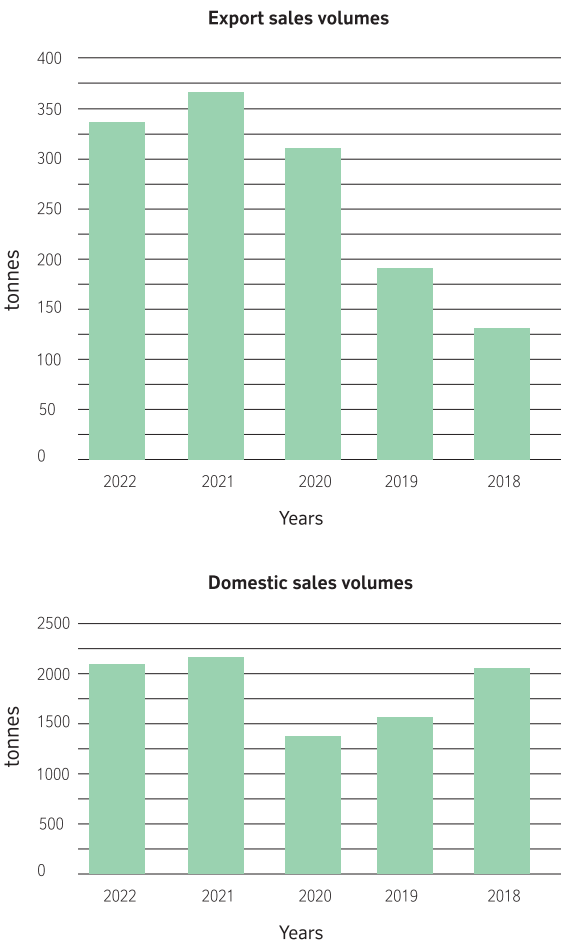
There were no significant changes to the organisation and its supply chain which have significant economic, environmental and social impact.

GRI 102 - 09

GRI 102 - 10

3.4 Markets

CAFCA's turnover is predominantly from the domestic market. Total sales volumes were 96% of 2021 total sales. The decline was due to decline in demand after review of interest rates to 200% in July from 40%. Export volumes declined by 10% from last year mainly to foreign currency constraints in the Malawi market. Covid 19 pandemic eased off in 2022 and this also increased competition in the export markets. See the sales revenue breakdown in tons:



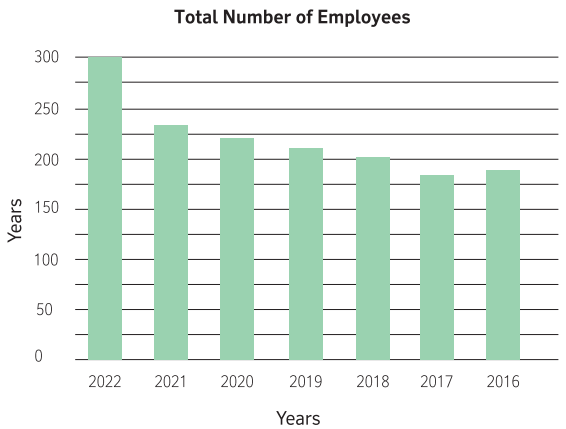
The domestic market comprises Utilities, Distributors, Construction and Industry, Mines, and Cash customers. Cash sales contribution to turnover was 31%, Retail 16%, Mines 11% and Utilities 6%. Sales also continued to be sustained by the protection against imports put by government through, Statutory Instrument SI 122 as was the case in 2021.

Refer to “Statement of financial position” section on page 16 and group performance review section on page 46 of the Integrated Annual Report.

GRI 102 - 06 and 07 (iv & v)

3.5 Scale of organisation

The organisation’s manpower status for the year 2022 is shown in the graph below.



Total headcount increased significantly by 35% in FY22, as the organisation took over services which were once being done by contractors. The strategic intent being for the organisation minimise use of contractors who were considered both high risk for honesty and accident prone. To date CAFCA employs 302 individuals on a permanent basis and engages contractors as and when required.

CAFCA continues to be an equal opportunity employer. No preference is given to men or women for any job vacancy. However, the workforce continues to be male dominated as fewer women apply to work in the factory and in engineering. Female employees who are about 8% are mostly in administrative functions. Four apprentices in engineering successfully completed the apprenticeship program. Strategically, the next batch of four shall be engaged to increase the skills base in engineering. The organisation continues to engage students on internship from universities across the country as a social responsibility and contributing to the development of human capital in the country.

GRI 102 – 07 to 08

4.0 Managing our risks

CAFCA continues to adopt various tools and techniques to ensure adequate risk management in all areas. Refer to “Corporate Governance” section of the Integrated Annual Report page 4 -8.

GRI 102 - 18

4.1 Risk management system

The Management Team during the Strategic planning meeting done annually continues to identify risks and opportunities that need to be addressed to achieve the intended results of the QMS, EnMS, OHS and the EMS. The company seeks to enhance desirable effects, reduce or prevent undesirable effects and enhance improvement as well as achieving continual improvement of the quality, energy, environmental and health and safety Management systems. Current trends and the strategic direction of the organisation are used as key information to assess the organisation’s strengths, weaknesses. The operating environment is also analysed to look for any opportunities and threats.

The Board of Directors and Audit committee identify, monitor and control risk management efficiency, review risk management strategies and reports. The Managing Director and the Executive team continue to identify, manage and mitigate business operational risks. Operations Managers identify, evaluate, mitigate and report everyday risks. Employees implement the identified risk mitigation strategies.

See tables opposite for the identified major risks and opportunities as well as action plans.

4.2i CAFCA opportunities

ID	STRATEGIC ISSUE
O1	Productivity will be improved by recruiting staff with the right skill, right attitude, right value system and dealing and understanding with CAFCA employee expectations.
O2	There is an opportunity to improve delivery and quality of <ul style="list-style-type: none"> - New projects - New products By having a dedicated team. Working outside the day-to-day pressures of running CAFCA.
O3	There is an opportunity to ensure all employees contribute to satisfying customer needs.
O4	There is an opportunity to improve productivity by recognising efforts and results.
O5	HIRA, new projects, new procedures, new staff all have environmental health and safety considerations. There is an opportunity to use specialised and skilled staff.
O6	There is an opportunity to stop outsourcing some services without employing any new personnel at CAFCA.
O7	There is an opportunity to improve the CAFCA brand by having a more comprehensive and up to date website.
O8	The factory control system should be fully integrated to ensure timeous management information.
O9	There is an opportunity to improve cash flow resulting in less borrowings and reduced overdraft interest.
O10	There is an opportunity to increase sales by having a consignment stock strategy for 22kV cable.
O11	There is an opportunity to improve productivity by employing good team leaders and champions.
O12	There is an opportunity to improve the CAFCA brand by marketing our virtues: <ol style="list-style-type: none"> 75 years Listed on 2 stock exchanges Offer technical advice for the products we make 4 ISO standards 2 Mark standards 2 outlets in Harare and Bulawayo 7 consignment stock sites in the region. Well defined logo

4.2ii CAFCA risk

ID	STRATEGIC ISSUE
R1	1. Productivity being prejudiced <ul style="list-style-type: none"> - Shop floor commitment lacking due to no buy-in to the company's policies and procedures. - Personal contribution and reward not linked. - Need for accountability not clear. - Communication on accountability issues not good between works council and shop floor. - Feedback from shop floor on improving systems not being heard or seen. - Work ethic in young employees not same as older generation. - Nothing to lose perception results in lack of responsibility and accountability to adhere to procedures. - Us and them conflict. - Absenteeism.
R2	Training and the concept of incremental knowledge are not producing the desired improvement. Recurring fault cards and maintenance issues are evidence of the failure in training and documentation and clearance of root cause analysis findings.
R3	Productivity is threatened by the maintenance team not being able to avail machines at the targeted 95% availability.
R4	CAFCA output and quality is at risk from non-performance of service providers.
R5	CAFCA sustainability is being threatened by criminal activity not being adequately dealt with at the courts therefore there is no deterrent to crime.
R6	High staff turnover is a risk to sustainability at CAFCA as incremental knowledge is lost.
R7	Productivity can be negatively affected by <ul style="list-style-type: none"> - The company creating "silos" - The blame game - Dishonesty - Lack of accountability
R8	Siemens support and need for continual upgrades not financially sustainable.
R9	Harare street continues to have some stocks of imported items which are a risk in terms of CAFCA requiring protection as the country is not a level playing field.
R10	Copper received for recycling if not processed timeously and properly will result in the furnace getting contaminated and or stopping, waiting for inlet. This will result in no copper to the factory and lost sales.
R11	Foreign shareholders are being prejudiced and CAFCA is therefore not meeting their needs because dividends are not being remitted to them.

GRI 102-15

5.0 CAFCA’s position on precautionary principle

The organisation continues to apply the precautionary principle through the following platforms;

- 1. Environmental Aspect Assessments,
- 2. Hazard Identification and Risk Assessments
- 3. Risks and Opportunities

The organisation takes full responsibility for all its activities in view of the health and safety, environment, quality and energy management. It conducts comprehensive assessments prior to starting of any activity to identify all potential risks to the environment, equipment and people. Control measures are then put in place and implemented to eliminate or minimise the identified risks. The organisation continues to implement Behavior Based Interventions (BBI) concept and applying it across all facets of the business. This concept is helping the organisation to identify at risk behaviors which can cause accidents and or wastage.

GRI 102 -11

6.0 Membership

CAFCA continues to be a member of both statutory and voluntary organisations. It complied to all requirements including on new projects.

After the relaxation of COVID 19 legal requirements, physical attendance to the meetings and workshops were resumed and the organisation was able to take part in meetings that were held by the various organisation that it subscribes to like the BCSDZ and the Southerton-Workington Environment Cluster.

GRI 102 -13

7.0 Awards

Refer to “Milestones” section on page 3 of the Integrated Annual Report 2022.

8.0 Stakeholder engagement

Stakeholders are an integral part of CAFCA business for it to achieve its goals. Key stakeholders were identified and their expectations and needs adequately captured. Procedures were put in place to have continuous engagements and evaluation of the extent to which their needs and expectations are met. The key stakeholders are employees, the shareholders, senior executives, investors, the community, government, banks, suppliers and customers.

GRI 102 -40 to 43

CAFCA STAKEHOLDER CONCERNS

Stakeholder	Key topic raised	Concerns raised	CAFCA’s response	Status
Employees	Remuneration issues in a high inflation economy	Income being eroded by inflation	Resolved with reference to our agreed economic model	Ongoing
Local banks	Foreign currency availability	Critical shortage of forex	Taking advantage of the auction system and lobbying with the banks	Ongoing
Employees	COVID-19 threat	Unwillingness to get vaccinated	Awareness and education of all employees on benefits of being vaccinated	Ongoing
RBZ	Consignment stocks in markets outside Zimbabwe	Delays in CD1 acquittal	Reviewing of the procedures	Ongoing
Employees	Absenteeism	Production targets not being met due to unavailable staff	Red team appointed to do root cause analysis and resolve the issue.	Ongoing

GRI 102 - 44

9.0 Our economic performance

CAFCA ensures business sustainability by achieving an excellent financial performance using controlled business processes which will guarantee future existence. Year in year out, the organisation has always complied with the legal requirement to disclose financial performance information to the public since it is a public listed company. CAFCA is listed on the Zimbabwe Stock Exchange.

In line with the GRI Standards disclosure requirements, economic performance summary is provided below.

	2022 ZWL	2021 ZWL	2020 ZWL	2019 ZWL	2018 US\$
Turnover	12 217 963 722	3 376 708 926	860 858 432	93 396 413	30 382 348
Domestic	11 086 928 064	3 030 837 119	747 389 936	86 057 140	25 486 922
Export	1 131 035 658	345 871 807	113 468 496	7 339 275	4 895 426
Profit before income tax	4 909 734 367	1 035 487 439	403 926 503	54 180 595	5 234 021
Profit attributable to shareholders	3 815 368 975	762 376 299	304 348 712	41 267 443	3 859 431
Capital expenditure	32 056 968	0	206 170	1 599 945	88 209
Shareholders equity	4 284 489 317	1 203 815 502	381 478 397	55 598 369	16 097 337
Payments to government (income tax)	820 832 031	300 058 790	43 814 859	11 447 498	1 369 640

For more information, refer to the following Integrated Annual Report 2022 sections:

- “Statement of financial position” section on page 16
- “Consolidated statement of comprehensive income” section on page 17
- “Consolidated statement of changes in equity” section on page 18
- “Consolidated statement of cash flows” section on page 19
- “Ratios and statistics” section on page 46

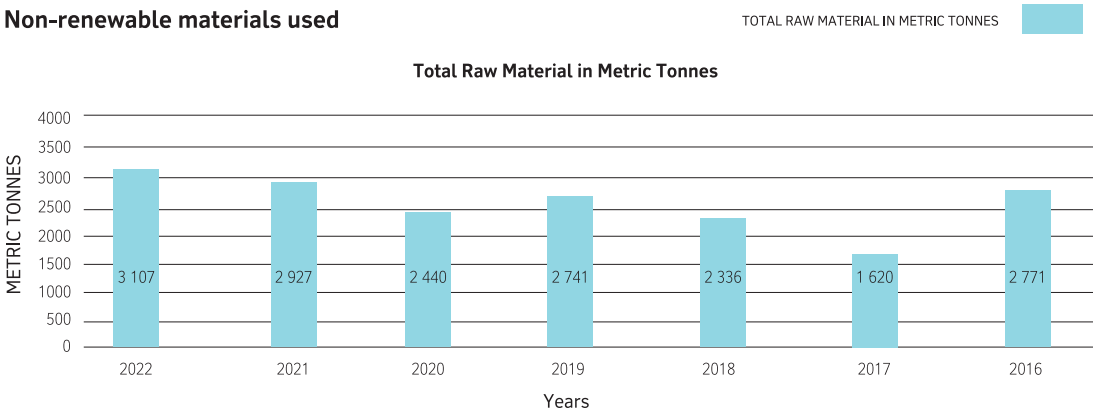
GRI 201 - 1

10.0 Our environmental performance

CAFCA has an obligation in its small way to keep the universe clean, slow down global warming and leave a legacy for future generations. Successful implementation of such initiatives as “0 kg of waste to landfill and stop waste generation at source” were as a result of this social responsibility. These are additional efforts on top of maintaining the ISO 14001:2015 certification.

10.1 Materials

Non-renewable materials used



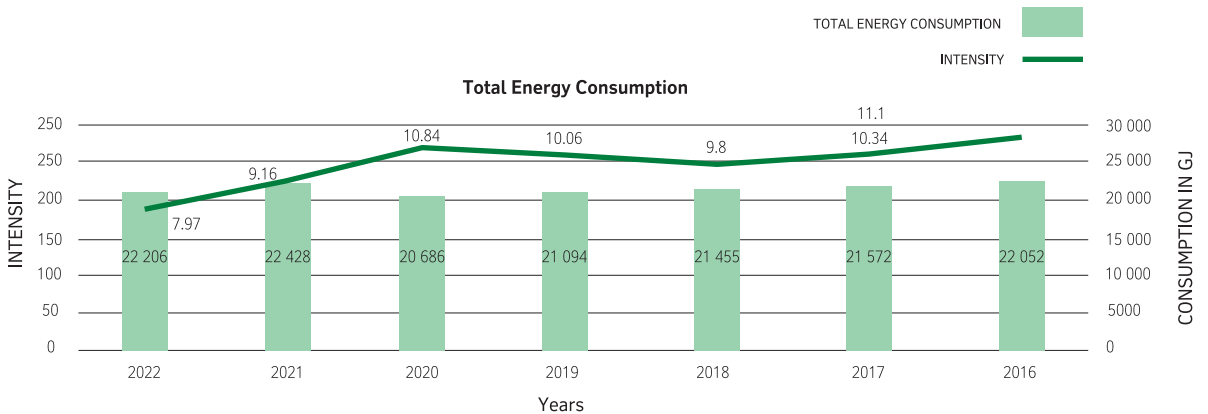
The process of making cable uses non-renewable materials as raw materials. These are copper (virgin or recycled), aluminum and plastics. Consumption of these raw materials increased by 6 % in FY 22 compared to FY 21. The increase in the raw materials is mainly as a result in the changes of the business model and responding to the customer needs. Redundant copper availability continues to dwindle causing a 26% decrease in the amount of recycled copper and to compliment production requirements, imported copper rod increased by 153%. However, the organization continues to harvest redundant copper locally to reduce the demand for foreign currency to import copper.

GRI 301 - 1 & 2

10.2 Energy consumption - Non-renewable fuel

All CAFCA processes rely on a constant supply of energy in the form of electricity which is 92% of total energy consumption. LPG, diesel and petrol make up the remaining 8%. The remaining 8% energy source are converted to kWh for easy of computing and reporting.

Note: Conversion factors obtained from International Energy Agency.



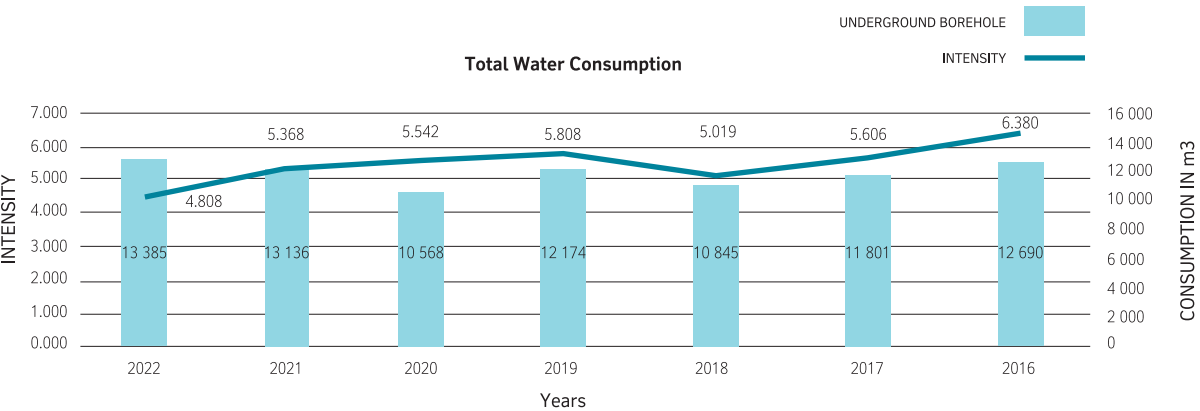
The total energy intensity decreased by 13% compared to the last reporting period. Production output increased by 14% and used 1% more energy compared to the last reporting period. Good production process efficiency was achieved because more pure copper in the form of ready-made 8mm rod and less scrap copper was used than in the previous year. Scrap copper requires two passes to process at the smelting furnace thereby using more electricity.

Energy management opportunities for improvement during this reporting period focused mainly on improving production processes to improve production efficiency and realise more energy savings. However, the main challenge continues to be aged plant and equipment which requires good maintenance tools and techniques to reduce energy consumption.

GRI 302 - 2 , GRI 302 - 3, GRI 302 - 4

10.3 Water

CAFCA operates two underground boreholes for both production processes and human consumption. The 2 underground boreholes meet CAFCA’s water requirements operating at 1.2m3/hr and 4.2m3/hr. Cooling water processes have a closed loop water reticulation system and the amount of water used in a month is targeted at a constant 1000m3. See graph below for consumption patterns:



There was a 2% increase in water consumption in FY22 as compared to FY21. Water consumption at CAFCA is almost constant because the processes are a closed loop. Water intensity improved by 10% from 5.36 to 4.8 in FY22 as compared to FY21. The intensity improved as a result of the replacement of aged galvanized pipes with PVC pipes. This eliminated water leaks.

GRI 303 - 1, GRI 303 - 3

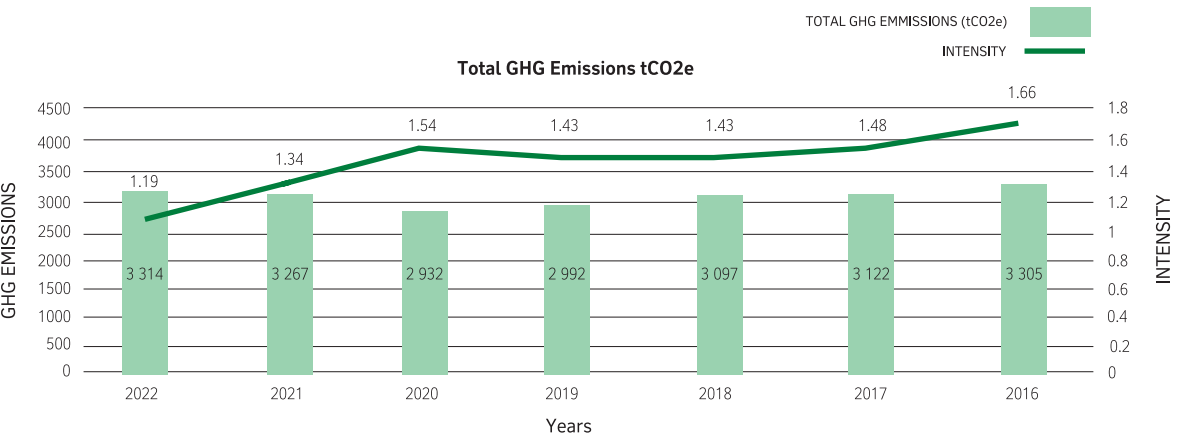
10.4 Emissions

Green House Gases (GHG) emissions carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride are monitored and reported on. Reporting is in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard which is used as a guideline and reference document to facilitate emissions reporting in line with international standards. The operational boundary has been defined as scope 1 (direct emissions) and scope 2 (indirect emissions) only.

Sources of direct emissions are liquefied petroleum gas (LPG), diesel, petrol, acetylene, charcoal and emissions from copper smelting and extrusion processes. Indirect emissions come from the use of purchased grid electricity. CAFCA uses the carbon footprint data to track its facilities’ GHG emissions and to identify opportunities to cut pollution, minimize wasted energy, and save money. This is done on a monthly basis as what can be measured can be improved. Emission factors used to calculate carbon dioxide equivalent emissions were derived from the Department of Environment Food and Rural Affairs (DEFRA), United Kingdom.

The graph below shows the GHG emission figures for financial year 2022.

GRI 305 - 1, GRI 305 - 2



There was a total of 3 314 tons of CO2 equivalent (t CO2e) in FY22. This is a 1% increase from 3267 (t CO2e) in FY21. Purchased grid electricity contributed 95% of the total greenhouse gas emissions (GHG) in the year under review. Electricity consumption increased by 15% in FY22 as compared to FY21.

The overall GHG intensity decreased from 1.34 t CO2e per metal tonne in FY21 to 1.19 t CO2e per metal ton in FY22. This is an 11% decrease in intensity and more efficient. Higher efficiency was as result of using cleaner copper in form of rod which increased by 26% in FY22 from FY21. Processing copper cathode more efficient as the copper passes through the furnace once whereas redundant copper passes through the furnace twice resulting in more electricity for the same output.

GRI 303 - 1, GRI 305 - 5

10.4.1 Air quality monitoring

Production processes at Cafca such as copper smelting, incineration and extrusion produce fumes and have a potential impact on the environment. Therefore, CAFCA monitors and controls. Measurements are done by an independent Consultant every quarter. They are measured as per S.I 72. Licensing is given and renewed by Environmental Management Agency upon complying. Licenses applied for in the year 2022 were within the permissible ranges as listed below:

Air emission source	License band
Furnace (Copper smelting)	Blue
BM 80 1 (Extrusion machine)	Blue
BM 80 11 (Extrusion machine)	Blue
DS130 (Extrusion machine)	Blue
Burn out oven (Incinerator)	Blue
Standby generator	Green

GRI 305 - 01

10.5 Waste

The organisation proudly reports a successful 3 years without sending a kg of waste to the landfill. It means a good and active application of the 4Rs and a continually improving waste segregation system on site. Methods such as composting, selling for reuse, and milling for recycling in our processes continue to be used to manage the waste generated on site. There are projects also to reduce/eliminate waste generation at source which started in FY22 and will continue to be implemented in the coming year.

The table below shows the amounts of waste disposed of through various consumers.

Type of waste	Quantity (tonnes)	Method of disposal
2022		
Solid waste	0	No waste sent to the landfill
Electrical waste	0	
2021		
Solid waste	0	No waste sent to the landfill
Electrical waste	0	
2020		
Solid waste	10	Implement QIP to eliminate waste sent to landfills
Electrical waste	0	Implement QIP to eliminate waste
2019		
Solid waste	35.2	Implement QIP to eliminate waste sent to landfills
Electrical waste	2	Implement QIP to eliminate waste sent to landfills
2018		
Solid waste	65	Landfill
Electrical waste	0	Landfill
2017		
Solid waste	25	Landfill
Electrical waste	0	Landfill

10.5.2 Non-hazardous waste

Type of waste	Quantity (tonnes)	Method of disposal
2022		
General waste	0	
* Plastic waste	4.32	Recycling by third parties
* Paper waste	0	Recycling by third parties
2021		
General waste	0	
* Plastic waste	5.83	Recycling by third parties
* Paper waste	0	Recycling by third parties
2020		
General waste	9	Implement QIP to eliminate waste sent to landfills resulting in reduction
* Plastic waste	4.88	Recycling by third parties
* Paper waste	0.732	Recycling by third parties
2019		
General waste	103.8	Implement QIP to eliminate waste sent to landfills
* Plastic waste	7.4	Recycling by third parties
* Paper waste	0	Recycling by third parties
2018		
General waste	190	Landfill
* Plastic waste	7	Recycling by third parties
* Paper waste	1	Recycling by third parties
2017		
General waste	326	Landfill
* Plastic waste	25	Recycling by third parties
* Paper waste	0	Recycling by third parties

GRI 306 - 2

10.5.3 Significant spills

During the reporting period there were no significant spills.

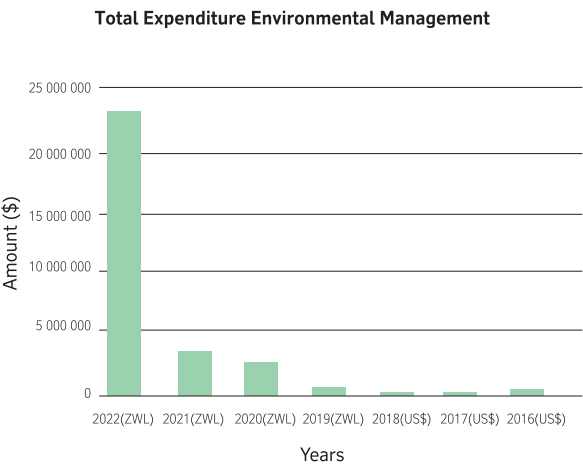
GRI 306 - 3

10.6 Environmental compliance

CAFCA complies with the national legal framework and subscribes to Optima Legal software and government gazettes for updates on all applicable environmental laws and regulations. The organisation did not receive any fines and/or sanctions for non-compliance with environmental laws and regulations during the reporting period. The organisation shall continue to use its internal business management systems to comply with legal obligations.

GRI 307 - 1

10.7 Environmental management expenses



Environmental management expenses increased by more than 200% from the previous reporting period. The increase is due to the high inflation environment.

10.8 CAFCA'S contribution to Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the 'Global Goals', lay out a roadmap to end poverty, reduce inequality, and tackle climate change, among other ambitions. CAFCA as a manufacturing company in the private sector demonstrates the role it plays in sustainable development by contributing in the following SDGs.

SDG	THEME	CAFCA'S CONTRIBUTION
	End poverty in all its forms everywhere	<ul style="list-style-type: none">• Creating employment opportunities for everyone without excluding against gender or race• Creation of employment through recovery of redundant copper
	Ensure availability and sustainable management of water and sanitation	<ul style="list-style-type: none">• Provision of clean water to all its employees which is regularly monitored• Monitoring of ground water contamination quarterly
	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none">• Implementation of ISO 50001 to reduce energy consumption• Supplying cables regionally for the transmission of electricity which is a clean source of energy
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none">• Implementation of energy management opportunities for improvement under ISO 50001 and become more efficient
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none">• GHG emissions tracking• Commitment to energy intensity by 5% annually against baseline• Water saving initiatives to facilitate climate adaptation

11 Our social performance

11.1 Our people

CAFCA limited remains committed to the welfare of its employees. Employees are fully represented in various platforms for forward and backwards communication with management. These platforms are the Works Council, Health and Safety sub-committee, Business Excellence team meetings, and Management briefings. All employees and contractors are represented in the monthly health and safety subcommittee meetings that address issues of health and safety.

Head count increased by 35%. The organisation provides equal opportunities, without discriminating against gender, race, physical ability or HIV/AIDS status. Employees' contributions are valued and the organisation commits to treating every employee with respect, fairness and professionalism.

CAFCA employees are covered by Collective Bargaining Agreements as the organisation recognises employees' right to freedom of association and collective bargaining. The organisation also has a sound Pension Fund to cater for the welfare of its employees even after retirement.

Training needs are identified and planned for annually.

GRI 402 - 1 to GRI 407 - 1
GRI 201 - 3

11.2 New employee hires by gender

Year	Category	Male	Female	Total	% rate of new female to total new hires
2022	New hires	138	10	148	7
2021	New hires	33	3	36	8
2020	New hires	36	3	39	8
2019	New hires	34	9	43	21
2018	New hires	50	4	54	7
2017	New hires	23	2	25	8
2016	New hires	14	3	17	18

11.3 New hires by age group

Year	18-20	21-30	31-40	41-50	51-63
2022 % rate	0 0	114 77	24 16	6 4	4 3
2021 % rate	1 3	29 81	5 14	0 0	1 3
2020 % rate	1 3	25 18	7 15	6 15	0 0
2019 % rate	1 2	29 67	8 19	5 12	0 0
2018 % rate	0 0	45 83	8 15	1 2	0 0
2017 % rate	1 4	18 72	2 8	3 12	1 4
2016 % rate	2 12	15 88	0 0	0 0	0 0

11.4 Employee turnover by gender

Year	Category	Male	Female	Total	% rate of female to total employee turnover
2022	Turnover	51	3	54	6
2021	Turnover	24	4	28	17
2020	Turnover	14	6	20	30
2019	Turnover	21	7	28	25
2018	Turnover	23	3	26	12
2017	Turnover	22	3	25	12
2016	Turnover	28	3	31	10

11.5 Employee turnover by age group

Year	18-20	21-30	31-40	41-50	51-63
2022 % rate	0 0	39 73	9 17	3 5	3 5
2021 % rate	0 0	15 75	3 15	1 5	1 5
2020 % rate	0 0	15 54	9 32	2 7	2 7
2019 % rate	0 0	20 77	5 19	1 4	0 0
2018 % rate	1 4	13 52	9 36	2 8	0 0
2017 % rate	0 0	22 71	4 13	4 13	1 3
2016 % rate	0 0	19 76	2 8	3 12	1 4

GRI 307 - 1

11.6 Health and safety performance

11.6.1 Covid 19 pandemic response

The organisation achieved a 98% first jab vaccination and a 98% second jab vaccination. Employees were encouraged to get the third booster vaccine and uptake was very low. The organisation continues to implement the requirements guidelines from the Ministry of Health in preventing infection within the workplace. There were no fatalities recorded from the disease in the year under review.

11.5.2 Employees health and safety

The number of accidents reduced from 15 in FY21 to 10 in FY22. No fatalities were recorded. Attitude and Behavioral issues continue to be a challenge in dealing with accidents. The organisation continues to implement the Behavior Based Intervention system and enforcing procedures to eliminate them.

Number of work related accidents at CAFCA

Performance indicator	2022	2021	2020	2019	2018	2017	2016
Injuries	10	15	9	4	15	8	4
Fatalities	0	1	0	0	0	0	0
Contractor related injuries	3	4	1	2	3	3	0
CAFCA injuries	7	11	8	2	12	5	4
Lost time injuries	6	11	5	2	8	5	3
First aid injuries	4	4	4	2	8	5	1
Total number of accidents	10	15	9	4	15	8	4
Lost man-days due to injuries	35	121	68	66	79	30	17

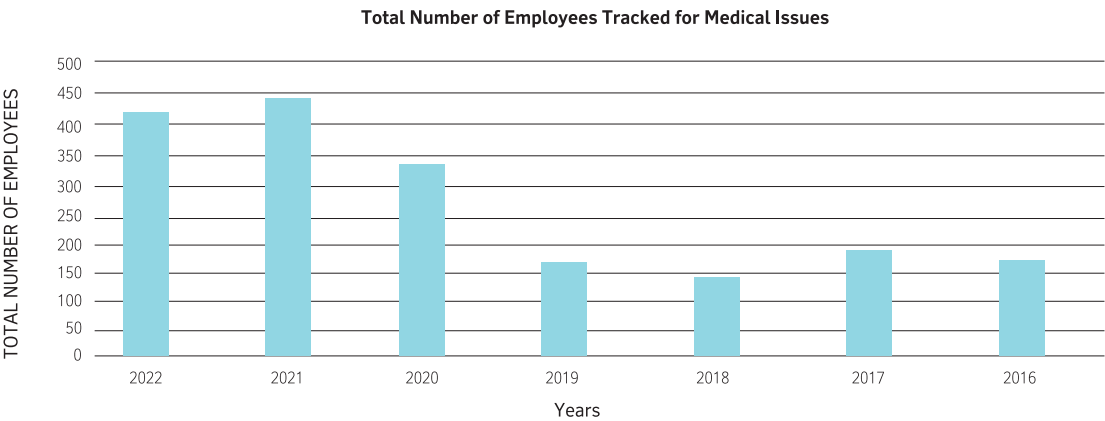
GRI 401 - 3

11.6 Occupational health surveillance

CAFCA annually assesses and tracks its employees for certain medical issues. No anomalies were recorded during the assessments in 2022.The following are the assessments done:

- a) Audiometric
- b) Pneumoconiosis
- c) Sight screening
- d) Thermal heat assessment

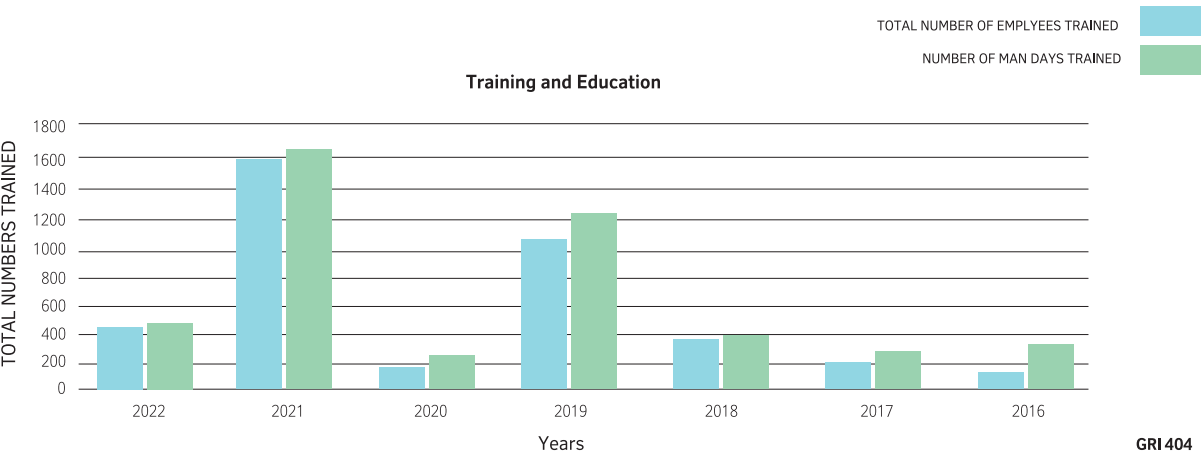
GRI 403 - 3



11.7 Training and education

The training statistics for 2015-2021 are shown in tables below.

	2022	2021	2020	2019	2018	2017	2016
Number of employees trained	445	1592	163	1057	361	196	118
Number of man days trained	475	1648	251	1250	400	270	342
% Female	5	6	3	4	7	7	15
% Male	95	94	97	96	93	93	85



GRI 404

This document meets the criteria of being in accordance with the GRI Standards for sustainability reporting on the core level.

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Why is sustainability so important to us?

Perhaps because it ensures our children inherit a responsible, sustainable future.

Perhaps because if we set the right example then other companies will surely follow.

Perhaps because it is our duty to our country, to our continent and our world.

We know it is all of these things and so much more.

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ENVIRONMENTAL MANAGEMENT SYSTEM

ISO 14001 CERTIFIED