



AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Statement of Comprehensive Income For the year ended 30 September 2021	Inflation Adjusted		Historical Cost	
	30 Sept 2021 ZWL	30 Sept 2020 ZWL	30 Sept 2021 ZWL	30 Sept 2020 ZWL
Revenue	3 953 721 111	2 469 319 281	3 376 708 926	860 858 433
Operating profit	618 909 191	1 132 519 437	1 119 588 420	421 560 359
Finance income	29 153	20 542	28 272	6 518
Finance cost	(104 269 709)	(32 235 147)	(84 129 253)	(12 859 646)
Monetary loss	(355 927 035)	(393 069 040)	-	-
Profit before income tax	158 741 600	707 235 791	1035 487 439	408 707 231
Income tax expense	(420 949 994)	69 720	(273 111 141)	(90 899 892)
(Loss)/profit for the year	(262 203 393)	707 305 511	762 376 299	317 807 339
Other comprehensive income for the year	-	-	-	-
Total comprehensive (loss)/income for the year	(262 203 393)	707 305 511	762 376 299	317,807,339
Weighted average number of ordinary shares in issue	33 389 000	33 281 500	33 389 000	33 281 500
Basic (loss)/earnings per share (cents)	(785.31)	2,125.22	2,283.32	954.91
Diluted (loss)/earnings per share (cents)	(771.45)	2,080.98	2,243.01	935.03
Headline (loss)/earnings per share(cents)	(790.64)	2,121.48	2,276.83	954.40

Statement of Financial Position As at 30 Sept 2021	Inflation Adjusted		Historical Cost	
	30 Sept 2021 ZWL	30 Sept 2020 ZWL	30 Sept 2021 ZWL	30 Sept 2020 ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	138 277 570	157 161 478	3 183 826	3 763 551
Deferred tax asset	-	-	43 203 784	4 307 067
Total non current assets	138 277 570	157 161 478	46 387 610	8 070 618
Current assets				
Inventories	1 509 362 481	1 790 399 563	929 934 974	354 113 375
Trade and other receivables	380 238 427	175 925 446	378 780 378	114 954 976
Cash and cash equivalents	237 542 707	260 729 668	237 542 707	172 043 312
	2 127 143 615	2 227 054 677	1 546 258 058	641 111 663
Total assets	2 265 421 184	2 384 216 155	1 592 645 669	649 182 279
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to owners of the parent				
Share capital	17 266	17 263	334	333
Share premium	33 602 585	19 931 499	7 848 820	1 291 321
Share option reserve	60 948 000	43 714 706	60 948 000	21 002 626
Retained earnings	1 625 296 963	1 887 505 295	1 135 018 348	372 642 050
Total equity	1 719 864 753	1 951 168 764	1 203 815 502	394 936 330
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	156 726 265	47 784 132	-	-
Current liabilities				
Trade and other payables	123 733 340	97 312 155	123 733 340	64 211 739
Provisions for other liabilities and charges	69 514 858	70 968 017	69 514 858	46 828 474
Current income tax liability	65 573 942	81 225 826	65 573 942	53 625 874
Borrowings	130 008 026	135 757 261	130 008 026	89 579 862
	388 830 166	385 263 259	388 830 166	254 245 949
Total liabilities	545 556 431	433 047 391	388 830 166	254 245 949
Total equity and liabilities	2 265 421 184	2 384 216 155	1 592 645 669	649 182 279

Statement of Cash Flows As at 30 Sept 2021	Inflation Adjusted		Historical Cost	
	30 Sept 2021 ZWL	30 Sept 2020 ZWL	30 Sept 2021 ZWL	30 Sept 2020 ZWL
Profit before income tax	158 741 600	707 235 791	1 035 487 439	408 707 231
Adjustments for:				
Depreciation	18 883 314	20 268 044	579 725	561 805
Net loss on net monetary assets	381 422 208	393 069 040	-	-
(Profit)/loss on disposal of property, plant and equipment	(2 361 460)	(1 677 196)	(2 164 258)	(226 004)
Non-cash employee benefit-share based payment charge	56 383 258	61 532 629	46 475 999	21 525 000
Finance income	(29 153)	(20 542)	(28 272)	(6 518)
Finance cost	104 269 709	32 235 147	84 129 253	12 859 646
Provision for slow moving and obsolete inventories	(7 123 972)	567 740	2 330 822	135 328
Increase in allowance for impairment of trade receivables	6 425 312	1 209 963	8 121 917	3 092 411
Working capital changes:				
Decrease (increase) in inventories	288 161 053	(697 429 767)	(578 152 420)	(313 168 069)
Increase in trade and other receivables	(204 312 981)	(35 248 174)	(271 947 319)	(106 331 429)
Increase in trade and other payables	26 421 186	5 940 448	59 521 600	56 272 130
(Increase)/decrease in provision for other liabilities and charges	(1 453 158)	38 496 793	22 686 384	44 006 936
Net cash generated from operations	799 931 742	526 179 917	407 040 869	127 428 467
Finance income	29 153	20 542	28 272	6 518
Finance cost	(104 269 709)	(32 235 147)	(84 129 253)	(12 859 646)
Income tax paid	(338 972 509)	(93 795 122)	(300 059 790)	(43 843 609)
Net cash generated from operating activities	356 718 678	400 170 190	22 880 099	70 731 730
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	-	(312 448)	-	(206 170)
Proceeds from the sale of property, plant and equipment	2 421 944	1 677 196	2 164 258	226 004
Net cash generated from investing activities	2 421 944	1 364 747	2 164 258	19 834
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	(5 749 235)	182 048 199	40 428 164	86 728 973
Proceeds from issuance of shares - share options	37 830	209 566	26 875	34 375
Net cash generated (utilised in)/generated from financing activities	(5 711 406)	182 257 765	40 455 039	86 763 348
Increase in cash and cash equivalents	353 429 215	583 792 702	65 499 396	157 514 912
Cash and cash equivalents at the beginning of the year	260 729 667	167 197 778	172 043 310	14 528 401
Effects of IAS29 on cash and cash equivalents	(376 616 172)	(490 260 813)	-	-
Cash and cash equivalents at the end of the year	237 542 707	260 729 668	237 542 707	172 043 313

Statement of Changes in Equity - Inflation Adjusted As at 30 Sept 2021	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 October 2019	17 263	16 301 216	12 495 074	1 180 199 783	1 209 013 336
Total comprehensive income for the year	-	-	-	707 305 511	707 305 511
Profit for the year	-	-	-	707 305 511	707 305 511
Restatement of owners equity	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners in their capacity as owners					
Issue of shares	-	209 566	-	-	209 566
Share options	-	3 420 717	31 219 632	-	34 640 349
Balance at 30 September 2020	17 263	19 931 499	43 714 706	1 887 505 294	1 951 168 762
Balance at 1 October 2020	17 263	19 931 499	43 714 706	1 887 505 294	1 951 168 763
Total comprehensive (loss) for the year	-	-	-	(262 208 393)	(262 208 393)
Loss for the year	-	-	-	(262 208 393)	(262 208 393)
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners in their capacity as owners					
Issue of shares	-	37 830	-	-	37 830
Exerised shares	2	13 633 256	(13 633 258)	-	-
Share options	-	-	30 866 551	-	30 866 551
Balance at 30 September 2021	17 265	33 602 585	60 948 000	1 625 296 903	1 719 864 752

STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2021-HISTORICAL	Share capital ZWL	Share premium ZWL	Share option reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 October 2019	331	332 323	402 251	54 834 714	55 569 619
Total comprehensive income for the year	-	-	-	317 807 339	317 807 339
Profit for the year	-	-	-	317 807 339	317 807 339
Transactions with owners in	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Issue of shares	-	34 375	-	-	34 375
Share options	2	924 623	20 600 375	-	21 525 000
Balance at 30 September 2020	333	1 291 321	21 002 626	372 642 053	394 936 330
Balance at 1 October 2020	333	1 291 321	21 002 626	372 642 053	394 936 330
Total comprehensive income for the year	-	-	-	762 376 299	762 376 299
Profit for the year	-	-	-	762 376 299	762 376 299
Other comprehensive income for the year	-	-	-	-	-
Transaction with owners:					
Issue of shares	-	26 875	-	-	26 875
Share options	-	-	46 476 000	-	46 476 000
Shares exercised	1	6 530 624	(6 530 625)	-	-
Balance at 30 September 2021	334	7 848 820	60 948 000	1 135 018 206	1 203 815 503



AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Notes to the Financial Statements  
For the year ended 30 Sept 2021

1 General Information

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

2 Basis of preparation

The Company's annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) except for non compliance with International Accounting Standard ("IAS 21"), 'The Effect of Changes in Foreign Exchange Rate' and IAS 29 'Financial Reporting in Hyperinflationary Economies. The financial statements are presented in Zimbabwean Dollars (ZWL) and all values are rounded to the nearest dollar, except where otherwise indicated.

3 Going concern

The Company's management believes that despite Covid 19 the business will remain in operation for the foreseeable future. Management has assessed that the Company will continue operating as a going concern, citing the following:-

- The company has no exposure to foreign liabilities
- The company has stock cover of 3 months in finished goods
- The company has secured loans and overdraft facilities amounting to ZWL\$320 million
- Company operations classified as an essential service
- Critical raw material suppliers are still shipping/supplying
- Demand for cable has remained firm with sales volumes projected to increase to 2 700 from 2 600 tons in the ensuing way

4 Hyperinflation

Accounting Standard ("IAS") 29 'Financial reporting in Hyperinflationary economies' in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial periods ended on or after 1 July 2019 to apply requirements of IAS 29 'Financial reporting in Hyperinflationary economies'.

Appropriate adjustments and reclassifications, including restatements for changes and general purchasing power of the Zimbabwe dollar and for the purposes of fair presentation in accordance with IAS 29 have been made in these financial statements to the historical cost financial information.

The sources of the price indices used were :  
Zimbabwe Statistical Office

	Indices	Conversion factor
CPI as at 30 September 2021	3,342.02	1.000
CPI as at 30 September 2020	2,205.2	1.515
CPI as at 30 September 2019	290.4	11.509

5 Audit opinion

'The Company annual financial statements have been audited by PricewaterhouseCoopers (PwC) Chartered Accountants (Zimbabwe) who have issued an adverse opinion on the basis of non-compliance with IAS 21, 'Effects of changes in foreign exchange rates', and IAS 29 'Financial reporting in hyper-inflationary economies'.

The audit report has been made available to management and those charged with the governance of CAFCA Limited and is available for inspection at the Company registered office. The independent audit report includes a section on key audit matters. Key audit matters included expected credit losses allowance on trade receivables. The financial statements were audited by Tinashe Rwodzi, CA(Z), a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ") Public Practice Certificate Number 253568 and registered Public Auditor with the Public Accountants and Auditors Board, Public Auditor Certificate Number 100. The auditor's report on the financial statements is available for inspection at the Company's registered office.

6 Related party transactions

	Inflation Adjusted		Historical Cost	
	30 Sept 2021 ZWL	30 Sept 2020 ZWL	30 Sept 2021 ZWL	30 Sept 2020 ZWL
Reunert Engineering (Proprietary) Limited owns 50.46% of the company and the remaining 40.46% is widely held.				
Purchases of goods				
CBI Electric African Cables - A Division of ATC (Proprietary) Limited	21 798 284	27 060 178	16 097 348	13 458 438
Metal Fabricators of Zambia Plc (Zamefa)	94 427 699	33 220 021	73 029 734	17 952 879
	116 225 983	60 280 199	89 127 082	31 411 317
Sale of good				
CBI Electric Telcoms Cables (Proprietary) Limited	2 011 803	-	1 429 225	-
Key management remuneration:				
Key management includes directors (executive and non-executive) and executive managers (members of the executive committee)				
Salaries and short term benefits	211 775 760	111 326 612	88 894 491	46 012 246
Share options charge	56 383 258	61 532 629	46 475 999	21 525 000
Directors' emoluments:				
-Fees	7 410 436	6 724 107	6 209 989	2 220 017
	275 569 454	179 583 349	141 580 479	69 757 263

7 Segment information

Company has one product line, and operates in one industry sector.

Revenue is primarily from customers who are domiciled in Zimbabwe and revenue from external customers pertains mainly to customers domiciled in Zambia, Malawi and Mozambique.

Revenue is analysed as follows:

	Inflation Adjusted		Historical Cost	
	30 Sept 2021 ZWL	30 Sept 2020 ZWL	30 Sept 2021 ZWL	30 Sept 2020 ZWL
Revenue from customers domiciled in Zimbabwe	3 547 555 119	2 177 489 367	3 030 837 119	747 389 936
Revenue from external customers	406 165 991	291 829 914	345 871 807	113 468 496
	3 953 721 111	2 469 319 281	3 376 708 926	860 858 432

7 Segment information (continued)

Revenues from transactions with single local customers that amounted to 10% or more of the Company's revenues equals approximately (inflation adjusted) \$542 102 024 (2020: \$260 017 091), and (historical) \$459 975 158 (2020: \$69 135 774)

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

	Inflation Adjusted		Historical Cost	
	30 Sept 2021 ZWL	30 Sept 2020 ZWL	30 Sept 2021 ZWL	30 Sept 2020 ZWL
Retail Sector (2021 )and 2020 comparative was in energy sector	542 102 024	260 017 091	69 135 774	12 283 081

The total of non current assets located in Zimbabwe is (inflation adjusted) \$138 277 570 (2020:\$157 161 478), (historical) \$3 183 826 (2020 \$3 763 551) and there are no non-urrent assets located in other countries.

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

	Inflation Adjusted		Historical Cost	
	30 Sept 2021 ZWL	30 Sept 2020 ZWL	30 Sept 2021 ZWL	30 Sept 2020 ZWL
Revenue from customers	3 953 721 111	2 469 319 281	3 376 708 926	860 858 433
Profit before interest and taxation	618 909 191	1 132 519 437	1 119 588 420	421 560 359
Finance income	29 153	20 542	28 272	6 518
Finance cost	104 269 709	32 235 147	84 129 253	12 859 646
Income tax expense	420 949 994	(69 720)	273 111 141	90 899 892
Total assets	2 265 421 185	2 384 216 155	1 592 645 669	644 875 214
Liabilities	545 556 431	433 047 391	388 830 166	254 245 949

8. Capital commitments

The company had no significant capital commitments authorised by the directors or contracted for at the reporting period (2020: ZWL nil).

9. Property plant and equipment

	Inflation Adjusted		Historical Cost	
	30 Sept 2021 ZWL	30 Sept 2020 ZWL	30 Sept 2021 ZWL	30 Sept 2020 ZWL
Capital expenditure	-	312 448	-	206 170
Depreciation charge	18 883 314	20 268 044	579 725	561 805

Commentary and overview of results

Volumes

Volumes for the year ended 30 September 2021 at 2604 tons increased 49% on the previous year. Local sales increased 57% on the back of a post COVID improvement in the economy whilst the export sales improved 16%.

Turnover

Turnover in historical cost terms improved by 292% of which 49% can be attributable to volume increases and the balance to sales mix, the increase in the price of copper and some to inflation.

Exports are translated at the auction exchange rate ruling at the time of invoicing.

Profitability

In historical terms profit before tax at 29% of turnover is well above our normal benchmark and mainly attributable to the impact of holding high manufactured stocks made at old prices.

Statement of Financial Position

In historical terms the balance sheet has grown during the year by \$656.3 million with \$566.4 million of the profit being reinvested back into stock.

Debtors are mainly US\$ denominated whilst we have no foreign liabilities.

We had a net cash position of ZWL\$108 million mainly due to having to hold cash to cover our foreign currency auction back log.

Inflation adjusted accounts - IAS 29

Despite detailed interrogation of the mechanics of applying the Standard and the indices used, the Inflation adjusted financial result has not been commented on as the profit is not consistent with both the historical cost profit extrapolation nor the profit obtained by calculating open and closing balance sheets in the US \$.

Dividend

Cash is being set aside to cater both for the auction system requirement and the impact that future hyperinflation may have on having to finance working capital.

Accordingly, the Directors have deemed it prudent not to recommend the declaration of a dividend at this time.

Outlook

We have budgeted for a modest increase in volumes in 2021/22 against a back ground of uncertainty in the foreign currency availability and pricing and the impact of increased competition in our regional markets.

By order of Board  
11 November 2021

C Kangara  
Company Secretary