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### Company profile



CAFCA manufactures and supplies cable and allied products 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 Zimbabwe quality standards.

CAFCA offers a toll manufacturing option to all its customers who can access key raw materials such as copper and aluminium, which are converted at the cost of value addition.

We also recover decommissioned cables for recycling that can be exchanged for other products within our manufacturing range.

### **CORPORATE**

CAFCA Limited is quoted on the Harare, Johannesburg and London stock exchanges. Established in 1947, CAFCA is part of CBI Electric African Cables (RSA), which in turn is owned by Reunert Limited (RSA), it has been at the forefront of the cable industry in the region for more than 60 years, supplying large volumes of cable to power and telecommunication utilities as well as the mining, agricultural and industrial sectors.

### **MISSION STATEMENT**

Our business purpose is:

- To be a leading manufacturer and supplier of cable and allied products for the transmission and distribution of information and energy for the Central and Southern African markets.
- 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 innovate,
- We achieve excellence,
- We recognise suppliers as active partners in our business,
- We do it right,
- We keep getting better,
- We respect and value each other,
- We work as a team,
- We ensure personal development,
- We care for the environment and support the community.



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### The period in brief

### Nine months to 30 September 2011

Revenue	18 566 051
Operating profit	2 004 138
Profit before tax	1 833 362
Attributable profit	1 290 493
Earnings per share (cents)	3,97

### **MILESTONES**

CAFCA was the first company in Zimbabwe to achieve ISO 9002 accreditation, later upgraded to ISO 9001:2000, which enables us 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 14,001:2004.

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 1<sup>st</sup> Runner up 2005

### Quality management standard

Accredited to ISO 9001: 2000 (First company to gain accreditation in Zimbabwe: year 1999)

Accredited to ISO 9002:2000 (Design and manufacture)

### Occupational health and safety standard

Accredited to OHSAS 18,001:2007

### **Environment management standard**

Accredited to ISO 14001:2004 (First cable company in sub-Saharan Africa to achieve the international quality standard).

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### Corporate governance

Corporate governance represents the means by which direction and control are applied to stewardship of an organisation's assets, 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 of CAFCA Limited 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 their stewardship.

The board currently consists of six non-executive directors and one executive director and the chairman is elected from among the non-executive directors.

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 the group.

### **Audit committee**

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

The audit 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,
- The Group's process for monitoring compliance with relevant laws and regulations.



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### Corporate governance continued

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

#### **Executive committee**

This committee consists of the management 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 group's objective of consistently adding value to the business. Business risks have been identified and relevant strategies are in place to address them. An appropriate system is in place for monthly assessments and regular review by the board.

### Management reporting

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

### Compensation committee

This committee consists of two non-executive directors who review and approve executive and staff renumeration, 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 group 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 and authorisations, as well as monitoring financial and managerial reporting.

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### Directors' report

The directors have pleasure in presenting their report together with the financial statements of CAFCA Limited for the nine month period ended 30 September 2011.

### Reporting currency

The financial reports have been prepared in United States dollars.

### Capital

Authorised share capital

The authorised capital remains unchanged since last year.

Issued share capital

193,333 ordinary shares were issued during the year. Issued share capital stands at 32,609,000 fully paid up ordinary shares.

Unissued share capital

In terms of the Articles of Association of the company, unissued shares are under the control of the directors.

Results for the year

The results for the year are set out on pages 18 to 42.



### **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, inspection all of which are under regular review.

We hold quality system's accreditation and product approvals from a number of authorities both national and international.



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### Directors' report

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, Messrs A. Mabena and S.E. Mangwengwende retire by rotation.

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

None of the directors had any interest in the shares of the company's subsidiaries at any time during the year. None of the directors had an interest in any contract of significance with the Group during the period.

### **Employment policies**

CAFCA 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 Group 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 4.

PricewaterhouseCoopers have indicated their willingness to continue as the company's auditors. A resolution to authorise their re-appointment will be proposed at the Annual General Meeting.

### Senior executives

The management team comprises:

Rob Webster - Managing director

Caroline Kangara - Finance executive

Godfrey Mavera - Chief engineer

Patrick Muginyi - Human resources executive

Farai Mukumbira - Sales and marketing executive

Dumisani Mhlanga - Manufacturing executive

### **Meetings of 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.

Meet	ings held	Meetings attended
H.P. Mkushi	3	3
R.N. Webster	3	3
A.E. Dickson	3	3
E.T.Z. Chidzonga	3	3
A. Mabena	3	3
S.E. Mangwengwende	e 3	3
T.A. Taylor	3	3

### **Directors' interests**

Details of directors' interests in the ordinary shares of the company are shown below:

	Shares held directly	
H.P. Mkushi	-	399,105
R.N. Webster	-	136,700
E.T.Z. Chidzonga	100	-
A.E. Dickson	100	-
A. Mabena	100	-
S.E. Mangwengwen	de 100	-
T.A. Taylor	200	-



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### Directors



Chairman (non-executive) Honour Piniel Mkushi L.L.B (Hons), (London) Appointed to the board on 1 January 1986.

Honour is an advocate of the High Court of Zimbabwe. He has been in private legal practice since 1971 and has an immaculate professional record with the Law Society of Zimbabwe.

Honour is currently a Senior Partner of Sawyer & Mkushi Legal Practitioners, attorneys, notaries and conveyancers. Honour is a corporate and commercial lawyer and also boasts of experience in Constitutional Law making including attending the Geneva and Lancaster House, London negotiations for Zimbabwe's independence. He was also a Commissioner involved in the drafting of the new constitution for Zimbabwe in 1999.

Honour chairs the boards of seven reputable corporations in Zimbabwe.



Executive director/managing director Robert Neill Webster B.A.cc (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 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.



Non-executive director Thomas Alexander Taylor B.Com. (Cape Town), C.A. (Z), C.A. (SA) Appointed to the board on 11 October 1995

Tom served his articles with Price Waterhouse 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 Price Waterhouse Central Africa (Zimbabwe, Botswana, Malawi and Mozambique). Tom retired from the firm on 30 June 1995 after having completed 10 years as a senior partner.

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



Non-executive director Alvord Mabena B. Sc. Mechanical Engineering Appointed to the board on 19 February 1998

Alvord had 20 years' experience in the railways industry, the last 10 as chief executive of the National Railways of Zimbabwe. He was heavily involved in the rehabilitation and upgrading of railway infrastructure and equipment.

A past president of the Zimbabwe Institute of Engineers, Alvord won the Institute of Personal Management 'Manager of the Year' award in 1992.

A businessman and director of other companies, Alvord is currently into farming and consultancy.



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### Directors continued



Non-executive director Edwin Tavengwa Zinyoro Chidzonga 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 a financial controller in 1983. In 1986, he was appointed managing director designate in the MMCZ European office, Zurich. In 1990, he was appointed managing director of MMCZ Sales, Zurich. Between 1994 and 1995, Edwin worked as managing director of Standard Chartered Finance, Zimbabwe and between 1996 and 1997 worked in the bank's London Head Office. Between 1998 and 2000, Edwin worked

mainly as a consultant before joining Mining Industry Pension Fund where he was the chief executive officer

Edwin sits on the boards of AIG Zimbabwe (Pvt) Ltd; Duly's (Pvt) Ltd and Intermarket Life Assurance Company of Zimbabwe, among other directorships.

Currently Edwin is an associate director clients and markets with Deloitte.



Non-executive director Simbarashe Emanuel Mangwengwende 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 (Simba) is an electric power engineering and management specialist with extensive experience in the electricity supply industry which includes 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 worked as an independent consultant and sits on the boards of several public and private companies and nonprofit organisations.

His major achievements include the formulation of the National Energy Policy of Liberia; transforming of ZESA into one of the best managed state-owned power utilities in Africa; the formulation and initial implementation of Zimbabwe's electricity industry reform strategy including the launching of a sustainable rural electrification programe and playing a leading role in the establishment of the Southern African Power Pool (the first fully operational power pool in Africa).



Non-executive director Alan Ernest Dickson B.Sc.Eng (Elec), M.Sc (Eng) Witwatersrand Appointed to the board on 1 January 2011.

After having joined CBI-Electric African Cables in 1997 and working in various capacities, Alan was appointed managing director of the organisation in March 2009. Prior to joining CBI-Electric African Cables, he has worked for Matra Engineering Services and the University of Witwatersrand.



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### Operations' report

CAFCA Limited acknowledges that the management of safety, health and the environment is an integral part of an effective and sustainable business.

CAFCA Limited has established a culture where all people take ownership and acknowledge their responsibility for the safety and health of everyone associated with the group operations and for the management of environment issues.

- To comply with all applicable laws, regulations and standards forhealth and safety.
- To comply with local laws and international standards in respect of the environment.

### Methodology

In support of these objectives, the group aims to:

- Continue a culture of continuous improvement in all activities.
- Adopt a zero tolerance attitude to accidents.
- Continually review associated risks and act appropriately.
- Communicate potential risks to employees and contractors who are trained in their individual responsibilities to minimise and, where possible, eliminate such risks.
- Ensure that all employees wear appropriate protective clothing and equipment, which is provided by the group.
- Conduct periodic internal and external audits of its safety, health and environmental management systems.
- Continuing risk assessment is conducted, particularly on effective guarding of plant and equipment.
- Appropriate signs have been posted.
- As part of their induction programme all employees have been trained in basic safety.
- Additional training in first aid, fire fighting and the use of specialist safety equipment are on-going.
- In-depth reviews on causes of accidents are carried out and necessary improvements implemented to avoid a repetition.
- Benchmarking with the mining industry is regularly undertaken.
- Appropriate publicity is given.



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### Operations' report continued

We have not experienced any fatalities for at least 39 years. Accidents are defined as incidents, which result in injury or illness. The target is zero.

### Health & safety

- Employees have induction and annual medicals.
- Job risk assessments are done annually to identify hazards of heat, dust, noise, chemicals, metals and gases. Necessary control measures are in place to protect employees.
- HIV/AIDS initiatives have been run and awareness posters placed on site.
- An HIV/AIDS' policy was approved by the board in July 2004.
- CAFCA was certified for OHSAS 18001:2007 in 2009.

### **Environment**

CAFCA is continually improving its ISO 14001:2004 environmental management system.

The key environmental aspects CAFCA is concentrating on are:

- Gases and fumes emissions
- Redundant cable
- Effluent
- Waste consumption
- Use of wooden battens and laggings
- Noise
- Diesel and petrol spillages
- Fuel usage
- Electricity

Environmental measurement and monitoring are conducted on key aspects as per statutory and standard requirements.

Internal and external audits are carried out periodically to ensure full compliance with the requirements of ISO 14001:2004 standard.

CAFCA is also participating in the Workington/Southerton environ-mental cluster which focuses on:

- · Waste minimisation
- Pollution prevention
- Efficient use of natural resources.

### Safety

Year	Number of accidents	Lost man days
2011	8	130
2010	17	27
2009	14	14
2008	4	71
2007	4	41

### Lost man days (from health and absenteeism)

Year	Number	% of total man days
2011	732	2,8
2010	716	2,13
2009	436	1,31
2008	700	1,96
2007	649	1,8



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### Operations' report continued

### CAFCA's carbon footprint 2011

Greenhouse gases (GHGs) are gaseous elements of the atmosphere that absorb and emit radiation. The gases act as a shield that traps heat in the earth's atmosphere. The resulting greenhouse gas effect contributes to global warming. The six GHGs listed in the Kyoto Protocol are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. A carbon footprint is the total set of greenhouse gases emissions caused by an organization, event or product. It is expressed in terms of the amount of carbon dioxide or its equivalent of other GHGs emitted.

Year 2010 GHG figures were reported in 2010 financial year end report and form the baseline for comparative reporting going forward. Sources of GHGs at CAFCA were confirmed and the GHGs emissions due to the operations of the organization in terms of the total amount of carbon dioxide emitted were calculated for the year 2011. To note is the fact that 2011 financial year had nine months. The financial year end of the company has been changed to 30 September to allow coterminous year end consolidation of our accounts with those of the majority shareholder.

The CAFCA emissions' reporting was organized in accordance with the Greenhouse Gas Protocol Standard which is used as a guideline and reference document to facilitate emissions reporting in line with international standards. The operational boundary was defined as scope 1 (direct emissions) and scope 2 (indirect emissions) only. Scope 3 (other indirect emissions from reporting company's upstream and downstream activities) emissions have not been reported due to lack of accurate data from third parties. The Greenhouse Gas Protocol standard and ISO 14064 Part 1:2006 (Greenhouse Gases standard) state that it is optional to report scope 3 emissions.

The approach adopted to calculate CAFCA's emissions was as follows: (a) identify GHG emissions sources, (b) select an emissions calculation approach, (c) collect activity data and choose emissions factors and (d) apply calculation tools to estimate GHG emissions. This is the recommended approach by the Greenhouse Gas Protocol. The direct emission fuels at CAFCA were charcoal, liquid petroleum gas, diesel, petrol and oxy-acetylene. Other direct emissions sources were carbon dioxide emissions from the copper smelting and extrusion processes. Direct fugitive emissions were hydrofluorocarbons emitted from air conditioners and refrigerators. An excel spreadsheet was used to calculate the carbon dioxide emissions as compared to using electronic calculation tools. This was done in order to understand the calculations and be able to justify the results. Primary and secondary data were collected from the company's departments, the Purchasing department being a key source. Emission factors were obtained from IPCC (1996), IPCC (2006) and IEA (2010). The sources are the recommended ones for default emission factors since Zimbabwe has not yet determined its specific emission factors.

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### Operations' report continued

### Carbon footprint continued

CAFCA's total carbon dioxide emissions for 2011 were found to be 2549 tonnes. Purchased electricity contributed 93% of the total carbon footprint. Electricity also contributed the same percentage in 2010. Electricity consumption increased by 15% as compared to 2010 consumption. This was due to 44% increase in production volume in 2011 as compared to same period in 2010. In 2011, CAFCA focused on improving its power factor and managed to achieve a power factor of 0.96 as compared to an average power factor of 0.93 in 2010. In the coming year, the organization shall direct its efforts towards the implementation of energy efficiency strategies, with the aim to efficiently utilize purchased electricity and minimize wastage. Find below Table 1 which shows the CAFCA GHG emissions inventory for 2010 and 2011.

**CAFCA GHG emissions inventory (January -September 2011)** 

Emission sources	2011 total emissions (tons CO <sup>2</sup> ) - 9 month period	2010 total emissions (tons CO <sup>2</sup> ) - 12 month period
Scope 1: PETROL		
Forklifts	17.35	10.95
Company vehicles	67.64	88.71
DIESEL		
Forklifts	7.10	14.84
Company vehicles	52.01	49.18
Generators	14.43	24.96
LPG	13.23	0.0024
CHARCOAL	1.52	6.6
HFCs		
Refridgerators	0.000574	0.000765
Air conditioners	0.0375	0.05
ACETYLENE	0.79	0.676
GRAPHITE	2.82	4.66
EXTRUDERS	8.15	13.86
Scope 21		
Scope 2: ELECTRICITY	2 363.65	2722.15
TOTAL GHG EMISSIONS	2 548.73	2936.64



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### Chairman's report



CAFCA is probably only one year away from being able to self finance itself at current production capacity.

#### Overview

CAFCA has made steady progress towards full capitalisation by the generation of increased profits for the 9 month period over the previous 12 month reporting period. Despite having borrowings and a liability to barter deal customers for copper they have delivered CAFCA is probably only one year away from being able to self finance itself at current production capacity. Once this is achieved we will look to replace certain ageing plant.

The marketing strategy of CAFCA during the period has been to deal with the threat from imports by competing on price and offering better lead times and standing behind our SABS and SAZ approved quality. Our strategy of negotiating barter deals with customers having scrap copper has maintained volumes in a very thin market.

The relative stability in the economy for most of the period had a number of benefits for CAFCA. We have seen growth in the mining sector and housing and steady business with the Utility Companies. On the personnel front we have seen a more stable work force and who are better placed to make ends meet. However of late the uncertainty surrounding elections and various Government policies have resulted in a tightening of liquidity and inability for customers to settle their debts and purchase more cable.

### **Future Outlook**

The outlook of the Group is to steadily build back to full capacity - we currently employ 150 employees which allows us to produce 200 to 250 tons per month against a historical benchmark of full capacity at 450 tons where we employed 350 people.

The majority shareholder owns 70.77% of CAFCA so compliance to the first year requirement of 26% indigenisation shareholding should not be a problem. Thereafter it is anticipated that to remain compliant we will have to offer shares on an "open tap" basis to indigenous shareholders.

### **Thanks**

We acknowledge with thanks the support we get from our majority shareholder who assists in the procurement and provision of supplier credit of our key raw materials, technical assistance in design and cable production and general assistance in sales and administrative issues.

May I also take this opportunity to thank both my fellow Directors and all management and staff at CAFCA for their valuable contribution and support during 2011.

**H P MKUSHI** CAFCA LIMITED **BOARD CHAIRMAN** 17 November 2011



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### Managing director's report



We continue to

spend significant

amounts on plant

ensure the machines

produce the quality

required to achieve

Environmental and

Occupational Health

our ISO Quality,

Standards.

maintenance to

Performance

The period covers a nine month period against a twelve month comparative as the financial year end was changed to be coterminous with that of the majority shareholder for the purposes of consolidation.

Turnover for nine months was \$18,6 million against the twelve month comparative of \$16,4 million an increase of 13%. Profit after tax and earnings per share were 3% up on the comparative twelve month period.

The consolidated statement of financial position shows that the borrowings of \$751 112 together with other liabilities of \$3 569 560 and the profits generated during the year were all reinvested into stocks of \$5 084 887 and debtors of \$3 697 427.

The strategic decision to hold a range of finished goods to combat the threat of imported goods and also to hold a minimum raw material stockholding of items imported from Europe/Middle East having long delivery lead times has resulted in the high stock value on hand.

Debtors at 45 days represent strategic customers such as Utility and export customers where credit is used as a competitive edge.

An amount of \$1,6 million in liabilities represents barter deal customers which will be settled by the provision of cable in the future – there is no commitment to settle in cash.

### Operations

We continue to spend significant amounts on plant maintenance to ensure the machines produce the quality required to achieve our ISO Quality, Environmental and Occupational Health Standards. It is currently more economical for the Group to maintain these old machines rather than invest in new capacity.

Our biggest challenge is probably the quality of electricity. We have built as much protection as we can in the system to protect our motors, drives, and plc's from fluctuations but unfortunately we still suffer breakdowns during the year. We have an excellent working relationship with ZETDC who are very sensitive to our needs for a stable supply of power and our inability to go for long periods without power due to the furnaces. We have improved our power factor correction and our installed demand management system ensures we are being as efficient as we can be in the use of electricity.

### Staff

There was no significant movement in staff during the year and we would like to think the stability is due to the ability of the Group to pay competitive market related salaries and wages.

### Outlook

We do not see significant growth in the year ahead due to possible elections and the uncertainty that may prevail. Once elections are behind us and provided stable government policy we see no reason why the upward growth experienced over the last two years should not continue.

### **Appreciation**

Grateful thanks to the utility customers for their continued support – ZESA Group, Tel-one and National Railways of Zimbabwe.

Our distributors and mining customers have also been loyal and we thank them for their support.

Finally a big thank you to the Board of Directors and all the staff at CAFCA who have all had a role to play in the success of 2011.

R N WEBSTER MANAGING DIRECTOR

CAFCA LIMITED
17 November 2011



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### Director's declaration



In the opinion of the directors of CAFCA Limited, the financial statements and notes set out on pages 18 to 42 have been prepared in accordance with the Companies Act (Chapter 24 03) of Zimbabwe, and:

- Give a true and fair view of the financial position of the Group as at 30 September 2011 and its performance as represented by the results of its operations and its cash flows for the period ended on that date and
- Comply with International Financial Reporting Standards.
- The directors confirm that the Group has adequate resources to operate for the foreseeable future and will remain a viable going concern in the year ahead.

Signed in accordance with a resolution of the directors:

H. P. Mkushi Chairman Harare, Zimbabwe

R. N. Webster Managing Director 17 November 2011



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### Independent auditor's report

to the shareholders of

#### **CAFCA LIMITED**

We have audited the consolidated financial statements of CAFCA Limited and its subsidiary (the "Group") and the accompanying statement of financial position of CAFCA Limited (the "Company") standing alone, together the "financial statements", which comprise the consolidated and separate statements of financial position at 30 September 2011, and the consolidated statements of comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 42.

### **Directors' Responsibility for the Financial Statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group and of the Company as at 30 September 2011, and of the Group's consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies Act (Chapter 24:03) and the relevant Statutory Instruments SI 33/99 and SI 62/96.

PricewaterhouseCoopers Chartered Accountants (Zimbabwe) Harare

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16 January 2012

## Statements of financial position

As at 30 September 2011

		GROUP			COMPANY			
	Notes	30 September 2011 US\$	Restated 31 December 2010 US\$	Restated 31 December 2009 US\$	30 September 2011 US\$	Restated 31 December 2010 US\$	Restated 31 December 2009 US\$	
ASSETS								
Non-current assets Property, plant and equipment Investment property Investments	10 11 12	3 167 349 3 167 349 -	3 160 198 3 160 198 - -	3 091 932 3 091 932 - -	237 319 - 105 143 132 176	154 983 - 105 143 49 840	151 093 - 105 143 45 950	
Current assets Inventories Trade and other receivables Cash and bank	13 15	9 026 220 5 084 887 3 697 427 243 906	6 363 436 3 966 271 2 025 472 371 693	3 493 247 1 887 906 1 564 719 40 622	- - - -	- - -	- - -	
Total assets		12 193 569	9 523 634	6 585 179	237 319	154 983	151 093	
EQUITY AND LIABILITIES  Equity attributable to owners of the pa	rent							
Total equity		7 156 200	5 783 371	4 532 606	232 062	149 726	145 836	
Share capital Share premium Share option reserve Non-distributable reserve Retained earnings	17.2 17.2 17.3 18	326 80 699 51 475 3 891 668 3 132 032	324 11 100 38 740 3 891 668 1 841 539	9 333 36 617 3 891 992 594 664	326 80 699 51 475 99 562	324 11 100 38 740 99 562	9 333 36 617 99 886	
<b>Non-current liabilities</b> Deferred income tax liabilities	19	716 697 716 697	718 806 718 806	791 184 791 184	5 257 5 257	5 257 5 257	5 257 5 257	
Current liabilities Trade and other payables Borrowings Current income tax liabilities	20 21	4 320 672 3 557 308 751 112 12 252	3 021 457 2 923 630 - 97 827	1 261 389 1 118 671 22 170 120 548	- - - -	- - - -	- - - -	
Total liabilities		5 037 369	3 740 263	2 052 573	5 257	5 257	5 257	
Total equity and liabilities		12 193 569	9 523 634	6 585 179	237 319	154 983	151 093	

These financial statements were approved by the board of directors on 17 November 2011 and signed on its behalf by:

H.P. Mkushi Chairman

R.N. Webster Managing Director

# Consolidated statement of comprehensive income For the nine months ended 30 September 2011

	Notes	Nine months to 30 September 2011 US\$	Restated Twelve months to 31 December 2010 US\$
Revenue	3	18 566 051	16 369 539
Cost of sales	5	(14 774 756)	(12 632 031)
GROSS PROFIT		3 791 295	3 737 508
Distribution costs Administration expenses Other income	5 5 4	(134 079) (1 713 436) 60 358	(75 133) (1 903 806) 76 133
OPERATING PROFIT		2 004 138	1 834 702
Finance income Finance costs	7 7	656 (171 432)	732 (152 025)
Profit before income tax		1 833 362	1 683 409
Income tax expense	8	(542 869)	(436 534)
Profit for the period		1 290 493	1 246 875
Other comprehensive income		-	<u>-</u>
Total comprehensive income for the period		1 290 493	1 246 875
Basic earnings per share (cents)	9	3.97	3.85
Diluted earnings per share (cents)	9	3.93	3.78

## Consolidated statement of changes in equity

For the nine months ended 30 September 2011

	Share capital US\$	Share premium US\$	Share option reserve US\$	Non distribution reserve US\$	Revaluation reserve US\$	Retained earnings US\$	Total US\$
Balance at 1 January 2011 restated	324	11 100	38 740	3 891 668	-	1 841 539	5 783 371
<b>Transactions with owners:</b> Share options	2	69 599	12 735	-	-	-	82 336
Comprehensive income: Net profit for the period	-	-	-	-	-	1 290 493	1 290 493
Balance at 30 September 2011	326	80 699	51 475	3 891 668	-	3 132 032	7 156 200
Balance at 1 January 2010 As previously stated Change in accounting policy (note 2.25)	-	9 333 -	33 617 -	3 891 992 -	1 239 283 1 239 283	481 809 (162 885)	5 609 034 1 076 428
Balance at 1 January 2010 restated	-	9 333	36 617	3 891 992	-	594 664	4 532 606
<b>Transactions with owners:</b> Transfer on redenomination of shares Share options	324 - 324	1 767 1 767	2 123 2 123	(324)	- -	- -	3 890 3 890
Comprehensive income: Net profit for the year restated	-	-		(324)	<u> </u>	1 246 875	1 246 875
Balance at 31 December 2010 restated	324	11 100	38 740	3 891 668	-	1 841 539	5 783 371

### Consolidated statement of cash flows

For the nine months ended 30 September 2011

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period (note 16)

	Nine months to 30 September 2011 US\$	Restated Twelve months to 31 December 2010 US\$
CASH FLOW FROM OPERATING ACTIVITIES Operating profit	2 004 138	1 834 702
Adjustment for non-cash items: Depreciation Profit on disposal of property, plant and equipment Share option charge	150 814 (8 250) 78 469	171 605 (11 565) 2 123
Operating cash inflows before changes in working capital	2 225 171	1 996 865
Working capital changes: Increase in inventories Increase in trade and other receivables Increase in trade and other payables	(1 118 616) (1 671 955) 633 678	(2 078 366) (460 753) 1 804 959
Net cash generated from operations	68 278	1 262 705
Net finance income Net finance costs Taxation paid	656 (171 432) (630 553)	732 (152 025) (531 633)
Net cash (utilised in)/generated from operating activities	(733 051)	579 779
CASH FLOW FROM INVESTING ACTIVITIES Purchase of property, plant and equipment Proceeds from sale of property, plant and equipment	(157 965) 8 250	(239 871) 11 566
Net cash utilised in investing activities	(149 715)	(228 305)
CASH FLOW FROM FINANCING ACTIVITIES Proceeds from issue of share capital	3 867	1 767
Net cash generated from financing activities	3 867	1 767
Net (decrease)/increase in cash and cash equivalents	(878 899)	353 241

371 693

(507 206)

18 452

371 693

For the nine months ended 30 September 2011

### 1 GENERAL INFORMATION

The company 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. These financial statements were approved for issue by the board on 17 November 2011.

### Change in reporting date

The Group changed its reporting date from 31 December to 30 September to align its reporting period to that of the ultimate holding company, CBI-Electric African Cables. These financial statements have therefore been prepared for the nine months from 1 January 2011 to 30 September 2011. The amounts presented in the financial statements are therefore not entirely comparable.

### 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 Group's financial statements have been prepared in accordance with International Financial Reporting Standards, ("IFRS"), and in the manner required by the Zimbabwe Companies Act Chapter (24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96. The financial statements are based on statutory records that are maintained under the historical cost convention.

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 Group'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 29.

### 2.1.2 Changes in accounting policy and disclosures a) New and amended standards adopted by the Group

The following standards, amendments and interpretations which became effective in the current period, were adopted by the Group:

- IAS 1, 'Presentation of financial statements', clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes of equity or in the notes to the financial statements.
- IAS 24, 'Related party disclosures' (revised 2009), amends the definition of a related party and modifies certain related-party disclosure requirements for government-related entities.
- IAS 27, 'Consolidated and separate financial statements', clarifies that the consequential amendments from IAS 27 made to IAS 21, 'The effect of changes in foreign exchange rates', IAS 28, 'Investments in associates', and IAS 31, 'Interests in

joint ventures', apply prospectively for annual periods beginning on or after 1 July 2009, or earlier when IAS 27 is applied earlier.

 IFRS 7, 'Financial instruments', emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.

### New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted

- IFRS 9, 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The determination depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of comprehensive income, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 October 2013.
- IFRS 10, 'Consolidated financial statements' builds on existing
  principles by identifying the concept of control as the determining
  factor whether an entity should be included within the
  consolidated financial statements of the parent company. The
  standard provides additional guidance to assist in the
  determination of control where this is difficult to assess.
  The Group is yet to assess IFRS 10's full impact. IFRS 10 is
  effective for the Group's annual period beginning on
  1 October 2013.
- IFRS 12, 'Disclosure of interest in other entities' includes the
  disclosure requirements for all forms of interests in other entities,
  including joint arrangements, associates, special purpose vehicles
  and other off balance sheet vehicles. The Group is yet to assess
  IFRS 12's full impact and intends to adopt IFRS 12 no later than
  the accounting period beginning on or after 1 October 2013.
- IFRS 13, 'Fair value measurement', aims to improve consistency
  and reduce complexity by providing a concise definition of fair
  value and a single source of fair value measurement and
  disclosure requirements for use across IFRSs. The requirements,
  which are largely aligned between IFRSs and US GAAP, do not
  extend the use of fair value accounting but provide guidance
  on how it should be applied where its use is already required
  or permitted by other standards within IFRSs and US GAAP.

For the nine months ended 30 September 2011

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Group is yet to assess IFRS13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 October 2013.

- Amendment to IAS 12, 'Income taxes' on deferred tax currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes - recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn. The amendments to IAS 12 are effective for the Group's accounting period beginning on or after 1 October 2012.
- Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendments to IAS 1 are effective for the Group's accounting period beginning on or after 1 October 2012.
- IAS 27 (revised 2011), 'Separate financial statements' include
  the provisions on separate financial statements that are left
  after the control provisions of IAS 27 have been included in
  the new IFRS 10. The Group is yet to assess IAS 27 (revised
  2011)'s full impact and intends to adopt IAS 27 (revised 2011)
  no later than in the accounting period beginning on
  1 October 2013.

### 2.1.3 Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current financing.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

### 2.2 Consolidation

### (a)Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding

of more than one half of the voting rights. The existence and effect of the potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the the date that control ceases.

Investment in subsidiaries are accounted for at cost less impairment.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### 2.3 Segment reporting

Operating segments are reported in manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive team that makes strategic decisions.

### 2.4 Foreign currency translation a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in the United States of America dollar (US\$), which is the Group and Company's presentation currency as well the Company's functional currency.

The Group is sufficiently autonomous from its parent company.

### b) Transactions and balances

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

### 2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. This represents a change in accounting policy - previously property, plant and equipment was valued on the revaluation model (refer note 2.25)

Subsequent costs are included in an 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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

For the nine months ended 30 September 2011

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

#### 2.5 Property, plant and equipment continued

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

Buildings 40 years
Plant and equipment 10 to15 years
Motor vehicles and other equipment 3 to 10 years

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

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 the proceeds with the carrying amount. These are included in the statement of comprehensive income.

#### 2.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.7 Investment property

Investment property is property held to earn rentals and/or for capital appreciation. It is stated at historical cost less depreciation. This represents a change in accounting policy - previously investment property was valued on the fair value model (refer 2.25)

Where investment properties are still being developed, these are classified as capital-work-in-progress and are disclosed under property, plant and equipment.

### 2.8 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At year end the Group had only loans and receivables.

### (a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date.

These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Loans and receivables are classified as "trade and other receivables" in the statement of financial position and are subsequently carried at amortised cost using the effective interest rate method.

### 2.9 Financial liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities as appropriate.

A financial liability is derecognised when the obligation under liability is discharged, cancelled or expires.

Financial liabilities included in trade and other payables are initially recognised at fair value and subsequently at amortised cost. The fair value of a non interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

### 2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liabilities simultaneously.

### 2.11 Impairment of financial instruments

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event or events has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event

For the nine months ended 30 September 2011

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued 2

### 2.11 Impairment of financial instruments continued

occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises, raw materials, direct labour, other direct costs and related production overheads but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

#### Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included in borrowings in current liabilities on the statement of financial position.

### Share capital

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

### 2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities.

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

### 2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the fee is capitalised as a pre-payment

for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### 2.18 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

### Current and deferred income tax

The tax expense for the period comprises current and deferred tax. 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially 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 income tax is recognised using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income 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 income tax asset is realised or liability settled.

Deferred income tax assets are recognised only to the extent that is it probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in associates and subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the holding company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current assets against current

For the nine months ended 30 September 2011

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

### 2.19 Current and deferred income tax continued

liabilities and when the deferred income tax assets and liabilities relate to income levied by the same taxation authority on either entity or different taxable entities where there is an intention to settle the balance on a net basis.

#### 2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised as follows:

### (a) Sales of goods - wholesale

Sales of goods are recognised when the Group has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

### (b) Sales of goods - retail

Sales of goods are recognised when the Group sells a product to the customer.

### 2.21 Interest income

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

### 2.22 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

### 2.23 Employee benefits

### (a) Pension obligations

The Group operates a defined contribution plan, the assets of which are held in a separate Fund administered by Marsh Employee Benefits Zimbabwe (Private) Limited. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold

sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The pension plan is funded by payments from employees and by the Group and by taking account of the recommendations of independent actuaries. The Group has no further payment once the contributions have been paid. The contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is available.

### (b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

### (c) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.24 Share-based payments

The Group operates an equity settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by the fair value of the options granted, including the impact of service and non-market vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. 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 reporting period, the Group revises the estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity.

Where the Group cannot estimate reliably the fair value of the equity instruments granted at measurement date, the Group measures the equity instruments at their intrinsic value.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

For the nine months ended 30 September 2011

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

### 2.25 Impact of change in accounting policy on statement of financial position

During the period the Group changed its accounting policy for measurement of property, plant and equipment from the revaluation model to the cost model and the Company changed its accounting policy for investment property from the fair value model to the cost model to align it with the parent company's accounting policy. This voluntary change in accounting policy has been applied retrospectively and the comparative amounts have been restated in line with the change.

The effects of the change in accounting policy on the financial position, comprehensive income and the cash flows of the Group at 31 December 2009 and 31 December 2010 are summarised below.

				GROUP			
ASSETS	30 September 2011 US\$	31 December 2010 Restated US\$	Change in policy US\$	at 31 December 2010 (previously stated) US\$	31 December 2009 Restated US\$	Change in policy US\$	: 31 December 2009 (previously stated) US\$
7.032.13							
Non-current assets	3 167 349	3 160 198	(1 295 555)	4 455 753	3 091 932	(1 375 129)	4 467 061
Property, plant and equipment	3 167 349	3 160 198	(1 295 555)	4 455 753	3 091 932	(1 375 129)	4 467 061
Current assets	9 026 220	6 363 436	_	6 363 436	3 493 247	_	3 493 247
Inventories	5 084 887	3 966 271	-	3 966 271	1 887 906	-	1 887 906
Trade and other receivables	3 697 427	2 025 472	-	2 025 472	1 564 719	-	1 564 719
Cash and cash equivalents	243 906	371 693	-	371 693	40 622	-	40 622
Total assets	12 193 569	9 523 634	(1 295 555)	10 819 189	6 585 179	(1 375 129)	7 960 308
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Total equity	7 156 200	5 783 371	(996 854)	6 780 225	4 532 606	(1 076 428)	5 609 034
Share capital	326	324	-	324	-	-	-
Share premium	80 699	11 100	=	11 100	9 333	=	9 333
Share option reserve	51 475	38 740	=	38 740	36 617	=	36 617
Revaluation reserve	<u>-</u>	<del>-</del>	(1 239 283)	1 239 283	-	(1 239 283)	1 239 283
Non-distributable reserve	3 891 668	3 891 668	-	3 891 668	3 891 992	-	3 891 992
Retained earnings	3 132 032	1 841 539	242 429	1 599 110	594 664	162 855	431 809
Non-current liabilities	716 697	718 806	(298 701)	1 017 507	791 184	(298 701)	1 089 885
Deferred income tax liabilities	716 697	718 806	(298 701)	1 017 507	791 184	(298 701)	1 089 885
Current liabilities	4 320 672	3 021 457	-	3 021 457	1 261 389	-	1 261 389
Trade and other payables	3 557 308	2 923 630	=	2 923 630	1 118 671	=	1 118 671
Borrowings	751 112	-	-	-	22 170	-	22 170
Current income tax liabilities	12 252	97 827	-	97 827	120 548	-	120 548
Total liabilities	5 037 369	3 740 263	(298 701)	4 038 964	2 052 573	(298 701)	2 351 274
Total equity and liabilities	12 193 569	9 523 634	(1 295 555)	10 819 189	6 585 179	(1 375 129)	7 960 308

For the nine months ended 30 September 2011

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

### 2.25 Impact of change in accounting policy on statement of financial position continued

				COMPANY			
ASSETS	30 September 2011 US\$	31 December 2010 Restated US\$	Change in policy US\$	t 31 December 2010 (previously stated) US\$	31 December 2009 Restated US\$	At Change in policy US\$	: 31 December 2009 (previously stated) US\$
7,552.15							
Non-current assets	237 319	154 983	(116 857)	271 840	151 093	(116 857)	267 950
Investment property	105 143	105 143	(116 857)	222 000	105 143	(116 857)	222 000
Investments	132 176	49 840	-	49 840	45 950	-	45 950
Total assets	237 319	154 983	(116 857)	271 840	151 093	(116 857)	267 950
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Total equity	232 062	149 726	(111 014)	260 740	145 836	(111 014)	256 850
Share capital	326	324		324	-		-
Share premium	80 699	11 100	-	11 100	9 333	-	9 333
Share option reserve	51 475	38 740	-	38 740	36 617	-	36 617
Non-distributable reserve	99 562	99 562	-	99 562	99 886	-	99 886
Retained earnings	-	-	(111 014)	111 014	-	(111 014)	111 014
Non-current liabilities	5 257	5 257	(5 843)	11 100	5 257	(5 843)	11 100
Deferred income tax liabilities	5 257	5 257	(5 843)	11 100	5 257	(5 843)	11 100
Total equity and liabilities	237 319	154 983	(116 857)	271 840	151 093	(116 857)	267 950

For the nine months ended 30 September 2011

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

### 2.25 Impact of change in accounting policy on consolidated statement of comprehensive income

	Nine months to 30 September 2011 US\$	Twelve months to 31 December 2010 Restated US\$	Change in policy US\$	Twelve months to 31 December 2010 (previously stated) US\$
Revenue	18 566 051	16 369 539	-	16 369 539
Cost of sales	(14 774 756)	(12 632 031)	<del>-</del>	(12 632 031)
GROSS PROFIT	3 791 295	3 737 508	-	3 737 508
Distribution costs Administration expenses Other income	(134 079) (1 713 436) 60 358	(75 133) (1 903 806) 76 133	- 79 574 -	(75 133) (1 983 380) 76 133
OPERATING PROFIT	2 004 138	1 834 702	79 574	1 755 128
Finance income Finance costs	656 (171 432)	732 (152 025)	- -	732 (152 025)
Profit before income tax	1 833 362	1 683 409	79 574	1 603 835
Income tax expense	(542 869)	(436 534)	-	(436 534)
Profit for the period	1 290 493	1 246 875	79 574	1 167 301
Other comprehensive income		-	-	
Total comprehensive income for the period	1 290 493	1 246 875	79 574	1 167 301

For the nine months ended 30 September 2011

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

### 2.25 Impact of change in accounting policy on statement of cashflows

	Nine months to 30 September 2011 US\$	Twelve months to 31 December 2010 Restated US\$	Change in policy US\$	Twelve months to 31 December 2010 (previously stated) US\$
CASH FLOW FROM OPERATING ACTIVITIES				
Operating profit	2 004 138	834 702	79 574	1 755 128
Adjustment for non-cash items:				
Depreciation	150 814	171 605	(53 699)	225 304
(Loss)/profit on disposal of property, plant and equipmer		(11 565)	(25 875)	14 310
Share option charge	78 469	2 123	-	2 123
Operating cash inflows before				
changes in working capital	2 225 171	1 996 865	_	1 996 865
3 1				
Working capital changes:				
Increase in inventories	(1 118 616)	(2 078 366)	-	(2 078 366)
Increase in trade and other receivables	(1 671 955)	(460 753)	-	(460 753)
Increase in trade and other payables	633 678	1 804 959	-	1 804 959
Net cash generated from operations	68 278	1 262 705	_	1 262 705
Net cash generated from operations	00 270	1 202 703		1 202 703
Net finance income	656	732	-	732
Net finance costs	(171 432)	(152 025)	-	(152 025)
Taxation paid	(630 553)	(531 633)	-	(531 633)
Net and (william in)/managed				
Net cash (utilised in)/generated from operating activities	(733 051)	579 779	_	579 779
from operating activities	(755 051)	313113	<del>-</del>	
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(157 965)	(239 871)	-	(239 871)
Proceeds from sale of property, plant and equipment	8 250	11 566	-	11 566
Not each utilized in investing pativities	(149 715)	(220.205)		(220.205)
Net cash utilised in investing activities	(149 / 15)	(228 305)	-	(228 305)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	3 867	1 767	-	1 767
Net cash generated from financing activities	3 867	1 767	-	1 767
Net (decrease)/increase in cash and cash equivalents	(878 899)	353 241	_	353 241
Cash and cash equivalents at the beginning of the perio		18 452	-	18 452
eas and easir equivalents at the beginning of the perio		10 732		10 732
Cash and cash equivalents at the end				
of the period	(507 206)	371 693	_	371 693

For the nine months ended 30 September 2011

REVENUE   16 799 866   Foreign   1766 185   Topic 18 566 051   Topic	relve months to December 2010 US\$  15 407 045 962 494 16 369 539  6 000 55 652 12 763 1 718 76 133  10 855 122 1 511 556  18 103
Domestic       16 799 866         Foreign       1 766 185         18 566 051       18 566 051         4 OTHER INCOME       12 913         Rent       12 913         Scrap sales       46 772         Foreign exchange gain       -         Other       673         60 358         5 EXPENSES BY NATURE       12 907 028         Raw materials and consumables used       12 907 028         Employee benefit expense (note 6)       1 569 602         Audit fees:       1 569 602	962 494 16 369 539 6 000 55 652 12 763 1 718 76 133 10 855 122 1 511 556 18 103
Foreign         1 766 185           4 OTHER INCOME         12 913           Rent         12 913           Scrap sales         46 772           Foreign exchange gain         -           Other         673           EXPENSES BY NATURE         -           Raw materials and consumables used         12 907 028           Employee benefit expense (note 6)         1 569 602           Audit fees:         -	962 494 16 369 539 6 000 55 652 12 763 1 718 76 133 10 855 122 1 511 556 18 103
## OTHER INCOME Rent 12 913 Scrap sales 46 772 Foreign exchange gain - 673 Other 673 EXPENSES BY NATURE Raw materials and consumables used Employee benefit expense (note 6) Audit fees:	16 369 539  6 000 55 652 12 763 1 718 76 133  10 855 122 1 511 556  18 103
A         OTHER INCOME           Rent         12 913           Scrap sales         46 772           Foreign exchange gain         -           Other         673           60 358           5         EXPENSES BY NATURE           Raw materials and consumables used         12 907 028           Employee benefit expense (note 6)         1 569 602           Audit fees:         -	6 000 55 652 12 763 1 718 76 133 10 855 122 1 511 556
Rent       12 913         Scrap sales       46 772         Foreign exchange gain       -         Other       673         60 358 <b>EXPENSES BY NATURE</b> 12 907 028         Raw materials and consumables used       12 907 028         Employee benefit expense (note 6)       1 569 602         Audit fees:       1 569 602	55 652 12 763 1 718 76 133 10 855 122 1 511 556 18 103
Scrap sales Foreign exchange gain Other	55 652 12 763 1 718 76 133 10 855 122 1 511 556 18 103
Foreign exchange gain Other Other 673 60 358   EXPENSES BY NATURE Raw materials and consumables used Employee benefit expense (note 6) Audit fees:  Foreign exchange gain 12 907 028 15 907 028 15 602	12 763 1 718 76 133 10 855 122 1 511 556 18 103
Other 673 60 358  5 EXPENSES BY NATURE Raw materials and consumables used 12 907 028 Employee benefit expense (note 6) 1 569 602 Audit fees:	1 718 76 133 10 855 122 1 511 556 18 103
5 EXPENSES BY NATURE Raw materials and consumables used 12 907 028 Employee benefit expense (note 6) 1 569 602 Audit fees:	76 133 10 855 122 1 511 556 18 103
Raw materials and consumables used 12 907 028 Employee benefit expense (note 6) 1 569 602 Audit fees:	1 511 556 18 103
Employee benefit expense (note 6) 1 569 602 Audit fees:	1 511 556 18 103
Audit fees:	18 103
- Current year 28 090	
- Prior year 35 475 Directors' emoluments:	22 000
- Fees 26 069	33 595
- Other 105 960	111 748
Postage and telephone 34 789	47 658
Canteen 45 207	55 455
Advertising costs 49 423	75 133
Repairs and maintenance 740 791	626 084
Electricity and water 231 229	311 608
Depreciation 150 814	171 606
Quality and ISO 85 598	131 408
Security 79 259	95 071
Machine running expenses 89 340	108 207
Insurance 37 206	46 203
Secretarial and printing costs 32 528	39 145
Other expenses 373 863	351 269
TOTAL COST OF SALES, DISTRIBUTION AND ADMINISTRATION EXPENSES 16 622 271	14 610 970
6 EMPLOYEE BENEFIT EXPENSE	
Salaries - executive management 417 994	324 101
Wages and salaries - other employees 983 098	1 076 672
Social security 7 770	9 975
Pension costs 82 271	98 685
Share options charge 78 469	2 123
7 FINANCE COSTS AND INCOME	1 511 556
Interest paid - bank borrowings 171 432	152 025
Interest received - short term bank deposits (656)	(732)
Net finance costs 170 776	151 293
8 INCOME TAX EXPENSE	
Current income tax (including levies) 544 978	508 912
Deferred tax credit (note 19) (2 109)	(72 378)
542 869	436 534
Reconciliation of rate of taxation %	%
Standard rate 25.8	25.8
Tax effect of income not taxable for tax purposes	(5)
Tax effect of expenses not deductible for tax purposes 4.5	6.4
Effective tax rate 30.3	27.2

For the nine months ended 30 September 2011

9

10

	GROUP	
	Nine months to 30 September 2011 US\$	Twelve months to 31 December 2010 US\$
EARNINGS PER SHARE  (a) Basic earnings per share  Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the 2011.	334	033
Profit attributable to shareholders (US\$)	1 290 493	1 246 875
Weighted average number of ordinary shares in issue	32 523 074	32 364 278
Basic earnings per share (cents)	3.97	3.85
(b) Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive ordinary shares		
Profit attributable to shareholders (US\$)	1 290 493	1 246 875
Weighted average number of shares in issue Share options outstanding at reporting date	32 523 074 355 000 32 878 074	32 415 667 548 333 32 964 000
Diluted earnings per share (cents)	3.93	3.78

				GROUP		
)	PROPERTY, PLANT AND EQUIPMENT	Land US\$	Buildings US\$	Plant and equipment US\$	Motor vehicles US\$	Total US\$
	Nine months ended 30 September 2011 Opening net book amount restated Additions Depreciation charge	105 143 - -	730 727 - (14 359)	2 028 837 70 840 (72 569)	295 491 87 125 (63 886)	3 160 198 157 965 (150 814)
	Closing net book amount	105 143	716 368	2 027 108	318 730	3 167 349
	At 30 September 2011 Cost Accumulated depreciation	105 143	765 828 (49 460)	2 277 067 (249 959)	466 060 (147 330)	3 614 098 (446 749)
	Net book amount	105 143	716 368	2 027 108	318 730	3 167 349
	Year ended 31 December 2010 restated Opening net book amount Additions Depreciation charge	105 143	749 873 - (19 146)	2 125 595 - (96 758)	111 321 239 871 (55 701)	3 091 932 239 871 (171 605)
	Closing net book amount	105 143	730 727	2 028 837	295 491	3 160 198
	At 31 December 2010 restated Cost Accumulated depreciation	105 143	765 828 (35 101)	2 206 227 (177 390)	378 935 (83 444)	3 456 133 (295 935)
	Net book amount	105 143	730 727	2 028 837	295 491	3 160 198
	Year ended 31 December 2009 restated Opening net book amount Additions Depreciation charge	105 143 - -	765 828 - (15 955)	2 206 227 - (80 632)	135 500 3 564 (27 743)	3 212 698 3 564 (124 330)
	Closing net book amount	105 143	749 873	2 125 595	111 321	3 091 932
	<b>At 31 December 2009 restated</b> Cost Accumulated depreciation	105 143	765 828 (15 955)	2 206 227 (80 632)	139 064 (27 743)	3 216 262 (124 330)
	Net book amount	105 143	749 873	2 125 595	111 321	3 091 932

For the nine months ended 30 September 2011

		30 September 2011 US\$	31 December 2010 US\$	31 December 2009 US\$
11	INVESTMENT PROPERTY		COMPANY	
••	Opening net book amount restated	105 143	105 143	105 143
	Closing net book amount restated	105 143	105 143	105 143
12	INVESTMENTS			
	Investment in subsidiary: Shares at cost	_	_	_
	Share option recharge	132 176	49 840	45 950
		132 176	49 840	45 950
	The investment in the subsidiary comprises 100% shareholding	ng in BICC Central Africa (Privat	te) Limited.	
			GROUP	
13	INVENTORIES Raw materials and consumables	2 424 888	2 288 785	839 025
	Work in progress	1 017 459	641 067	300 159
	Finished stock	1 642 540	1 036 419	748 722
		5 084 887	3 966 271	1 887 906
	Cost of raw materials and consumables recognised as an exper			
14	FINANCIAL INSTRUMENTS BY CATEGORY Assets as per statement of financial position:	LC	ANS AND RECEIVABLE	S
	Trade and other receivables (excluding pre-payments)	3 693 427	1 893 666	1 396 697
	Cash at bank	243 906	371 693	40 622
		3 937 333	2 265 359	1 437 319
	Linkilities as nevertatement of financial position.	FINANCIAL	LIABILITIES AT AMORT	ISED COST
	Liabilities as per statement of financial position: Trade and other payables (excluding statutory liabilities)	3 504 174	2 883 582	1 118 671
	Borrowings	751 112	-	22 170
		4 255 286	2 883 582	1 140 841
15	TRADE AND OTHER RECEIVABLES	30 September 2011 US\$	31 December 2010 US\$	31 December 2009 US\$
		05\$	GROUP	033
	Trade receivables	3 681 620	1 818 690	1 395 590
	Less: provision for impairment of trade receivables		(6 101)	=
	Trade receivables - net Prepayments	3 681 620 4 000	1 812 589 131 806	1 395 590 168 022
	Other receivables	11 807	81 077	1 107
		3 697 427	2 025 472	1 564 719
	As at 30 September 2011 trade receivables of US\$ 3 680 598 As of 30 September 2011, trade receivables of US\$ 1 022 (20 These relate to a number of independent customers for whor The quality of debtors is considered sound. At 30 September	110: US\$ 463 033 ) were past on there is no recent history of c	due but not impaired. lefault.	s follows:
	31 to 60 days	158	463 033	-
	90 days		463 033	
	There were no receivables impaired. The carrying amounts of the Group's trade and other receival The movement on the allowance for impairment of trade rece	oles are denominated in US\$.		
	At begining of period	6 101	_	-
	Less reversal of provision	(6101)	-	-
	Allowance for impairment	<del>-</del>	6 101 6 101	-
	At end of period	<del>-</del>	0 101	-
	The maximum exposure to credit risk at the reporting date is	the carrying value of each class	of receivables mentioned	d ahove

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The fair value of trade and other receivables approximate the carrying values.

The Group does not hold any collateral as security.

For the nine months ended 30 September 2011

		30 September 2011 US\$	31 December 2010 US\$	31 December 2009 US\$
16	CASH AND CASH EQUIVALENTS		GROUP	
10	Cash at bank	243 906	371 693	40 622
	Bank overdraft	(751 112)	-	(22 170)
		(507 206)	371 693	18 452
		G	ROUP AND COMPANY	
17 17.1	SHARE CAPITAL Authorised			
	50 000 000 Ordinary shares of US\$0.00001 each.	500	500	<u>-</u>

		GROUP AND COMPANY			
17.2	Issued and fully paid	Number of shares	Ordinary shares US\$	Share premium US\$	Total US\$
	At 1 January 2011 Employee share option scheme:	32 415 667	324	11 100	11 424
	Shares issued	193 333	2	69 599	69 601
	At 30 September 2011	32 609 000	326	80 699	81 025
	At 1 January 2010 Employee share option scheme:	32 327 334	324	9 333	9 657
	Shares issued	88 333	-	1 767	1 767
	At 31 December 2010	32 415 667	324	11 100	11 424
	At 1 February 2009 Employee share option scheme:	32 269 000	-	-	-
	Shares issued	58 335	-	9 333	9 333
	At 31 December 2009	32 327 335	-	9 333	9 333

The unissued share capital is under the indefinite control of the directors subject to limitations of the Companies Act and the Zimbabwe Stock Exchange regulations.

The Company's share capital was redenominated to US\$ in 2010.

For the nine months ended 30 September 2011

### 17.3 Share option scheme

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 share option scheme. The exercise price of the granted options is equal to the market prices of the shares on the date of the grant. Under the old scheme, share options granted are exercisable before 31 December 2013 at a price of 2 US cents per share. Under the new scheme share options granted are exercisable before 31 December 2015 at a price of 12 US cents per share. The Group has no legal or constructive obligation for repurchase or to settle the options in cash.

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

	Number of shares	Exercise price per share US\$	Total US\$
OLD SCHEME		033	033
Options authorised	807 000	-	-
Options cancelled	467 000	-	-
Granted	340 000	0.02	6 800
Options exercised in 2009	58 334	0.02	1 167
Options exercised in 2010	88 333	0.02	1 767
Options exercised in 2011	193 333	0.02	3 866
	340 000	- -	6 800
There were no chare entions outstanding at 20 Centember 2011			

There were no share options outstanding at 30 September 2011. Share options exercised in 2011 resulted in 193 333 shares being issued at a price of US\$ 0.02 cents per share. The related share price at the time of exercise was US\$ 0.50

at the time of exercise was US\$ 0.50.	Number of shares	Exercise price per share US\$	Total US\$
CURRENT SCHEME Options authorised	3 232 700	-	<u>-</u>
Granted	355 000	0.12	42 600
Under the new share option scheme, shares options outstanding at the end of the year expire on 31 December 2015 and have the following exercisable prices:			
Options to be exercised in 2013 Options to be exercised in 2014 Options to be exercised in 2015	118 334 118 333 118 333	0.12 0.12 0.12	14 200 14 200 14 200
	355 000	-	42 600

Out of the 355 000 outstanding share options non are exercisable at 30 September 2011. The share-based transactions have been valued using the intrinsic value method because the fair value of the instruments cannot be estimated reliably. The intrinsic value is the difference between the market value of the share to which the employee has the right to subscribe or which the employee has the right to receive, and the price the employee is required to pay for those shares.

All the outstanding share options are held by key management. There are no vesting conditions.

		GROUP AND COMPANY			
	30 September 2011 US\$	31 December 2010 US\$	31 December 2009 US\$		
The movement on the share option reserve is as follows: At beginning of period Charge to statement of comprehensive income Transfer to share capital	38 740 78 469 (65 734)	36 617 2 123 -	- 36 617 -		
At end of period	51 475	38 740	36 617		

For the nine months ended 30 September 2011

	30 September 2011 US\$	31 December 2010 US\$	31 December 2009 US\$
		GROUP	
BLE RESERVE pital	3 891 668 	3 891 992 (324)	3 891 992 -
period	3 891 668	3 891 668	3 891 992
		COMPANY	
I	99 562 	99 886 (324)	99 886
	99 562	99 562	99 886

The non-distributable reserve arose as the net effect of restatement in US\$ of assets and liabilities previously denominated in Zimbabwe dollars on 1 February 2009.

19 DEFERRED TAXATION		GROUP		COMPANY		
	30 September 2011 US\$	31 December 2010 US\$	31 December 2009 US\$	30 September 2011 US\$	31 December 2010 US\$	31 December 2009 US\$
The analysis of deferred tax assets and deferred 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	(46 236) -	(44 493) -	- -	- -	- -	-
	(46 236)	(44 493)	-	-	-	-
Deferred tax liabilities: Deferred tax liabilities to be recovered after more than 12 months Deferred tax liabilities to be recovered within 12 months	721 987 5 40 946	733 474 29 825	770 821 20 373	5 257 -	5 257 -	5 257 -
Net deferred tax liabilities	716 697	718 806	791 184	5 257	5 257	5 257
The movement in deferred tax liabilities is as follows: At beginning of period Credit to statement of comprehensive income (note 8)	718 806 (2 109)	791 184 (72 378)	791 184 -	5 257 -	5 257 -	5 257 -
At end of period	716 697	718 806	791 184	5 257	5 257	5 257
	The analysis of deferred tax assets and deferred 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  Deferred tax liabilities: Deferred tax liabilities to be recovered after more than 12 months Deferred tax liabilities to be recovered within 12 months Deferred tax liabilities to be recovered within 12 months Net deferred tax liabilities  The movement in deferred tax liabilities is as follows: At beginning of period Credit to statement of comprehensive income (note 8)	The analysis of deferred tax assets and deferred 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 Deferred tax liabilities: Deferred tax liabilities: Deferred tax liabilities to be recovered after more than 12 months Deferred tax liabilities to be recovered within 12 months Deferred tax liabilities to be recovered within 12 months Deferred tax liabilities to be recovered within 12 months Deferred tax liabilities to be recovered within 12 months Deferred tax liabilities to be recovered within 12 months At deferred tax liabilities  716 697  The movement in deferred tax liabilities is as follows: At beginning of period Credit to statement of comprehensive income (note 8)  718 806 Credit to statement of comprehensive income (note 8)	Deferred tax assets to be recovered within 12 months  Deferred tax liabilities to be recovered after more than 12 months  Deferred tax liabilities to be recovered within 12 months  Deferred tax liabilities to be recovered within 12 months  Deferred tax liabilities:  Deferred tax liabilities:  Deferred tax liabilities to be recovered within 12 months  Deferred tax liabilities to be recovered within 12 months  Total 987 Tax 474  Deferred tax liabilities to be recovered within 12 months  Total 987 Tax 474  Deferred tax liabilities to be recovered within 12 months  Total 987 Tax 806  The movement in deferred tax liabilities  Total 987 Tax 806  The movement in deferred tax liabilities  Total 987 Tax 806  The movement in deferred tax liabilities is as follows:  At beginning of period  Total 980 Tax 806  To	### DEFERRED TAXATION    30 September   2011   2010   2009	September   31 December   31 December   32010   2009   2011   2010   2	30   September   2011   2010   2009   2011   2010   2009   2011   2010

		GROUP		
1 January 2011 edit to comprehensive income	D	reemed cost US\$ 718 806 (2 109)	<b>Total US\$</b> 718 806 (2 109)	
alance 30 September 2011		716 697	716 697	
1 January 2010 edit to comprehensive income		791 184 (72 378)	791 184 (72 378)	
alance 31 December 2010		718 806	718 806	

For the nine months ended 30 September 2011

		US\$	US\$	US\$
			GROUP	
20 TR	RADE AND OTHER PAYABLES			
Tra	ade payables	1 946 084	2 301 128	974 132
Ar	mount due to related parties (note 25)	1 053 437	294 907	-
So	ocial security and other taxes	53 134	40 048	-
Ac	ccrued expenses	504 653	287 547	144 539
	·	3 557 308	2 923 630	1 118 671
	ORROWINGS urrent:			
Ва	ank overdraft	751 112	-	22 170
Th	ne Group has an overdraft facility limit of \$ 750 000 and a letter of ne facility bears interest at 11.85% per annum and is not secured. Il borrowings are denominated in US\$.	credit limit of \$900 000	).	

# 22 CAPITAL COMMITMENTS

of Association (50% shareholders' funds)

As at 30 September 2011 there were no capital commitments authorised by the directors or contracted for.

The fair value of borrowings equals their carrying amounts as the impact of discounting is insignificant.

### 23 CONTINGENT LIABILITIES

As at 30 September 2011 there were no contingent liabilities.

Maximum permitted borrowings in terms of the company's Articles

### 24 PENSION BENEFITS

### **CAFCA Pension Fund**

The Group 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 Group and the employees at a rate of 11.5% and 7% respectively. All employees including working directors on the full-time permanent staff of the employer are eligible to be permanent members of the fund.

3 578 100

2 891 686

### **National Social Security Authority Scheme**

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

	GROUP		
	Nine months to 30 September 2011 US\$	Twelve months to 31 December 2010 US\$	
Contributions recognised as an expense for the period are:			
CAFCA Pension Fund	82 271	98 685	
NSSA	7 770	9 975	
	90 041	108 660	

2 266 303

For the nine months ended 30 September 2011

#### 25 RELATED PARTY TRANSACTIONS

The Company is controlled by CBI - Electrical African Cables (Proprietary) Limited which owns 71% of the Company. The remaining 29% of the shares are widely held. The Group's ultimate parent is ATC (Proprietary) Limited.

The consolidated financial statements include the financial statements of CAFCA Limited and the following subsidiary company:

Name	Country of incorporation	% Equity interest		
BICC Central Africa (Private) Limited	Zimbabwe	100%		
	GROUP			
	Nine months to 30 September 2011 US\$	Twelve months to 31 December 2010 US\$		
The following transactions were carried out with related parties: i) Sale of goods:				
CBI - Electric African Cables (Proprietary) Limited	718 914	<u>-</u>		
ii) Purchases of goods:				
CBI - Electric African Cables (Proprietary) Limited	6 391 653	2 658 962		
CBI - ATC (Proprietary) Limited	155 136	568 354		
	6 546 789	3 227 316		
iii) Year-end balances arising from purchase of goods/services: Payables to related parties:				
CBI - Electric African Cables (Proprietary) Limited	1 053 437	294 907		
The payables to related parties arise mainly from purchase transactions and are due two months after the date of purchase. The payables bear no interest.				
iv) Remuneration to key management:				
Key management includes directors (executive and non-executive) and executive managements of the executive committee).	agers			
Salaries and other short - term benefits	417 994	324 101		
Share options	78 469	2 123		
	496 463	326 224		

Outstanding share options granted to key management were 355 000 (2010: 548 333).

There were no loans made to directors or key management of the Group.

For the nine months ended 30 September 2011

#### 26 **SEGMENTAL ANALYSIS**

#### Segment information

The executive management team is the Group's chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the executive team that are used to make strategic decisions.

The Group has one product line and operates in one industry sector.

US\$ 16 799 687 revenue is primarily from external customers who are domiciled in Zimbabwe, and US\$ 1 766 184 revenue is from external customers domiciled in South Africa, Malawi and Zambia. Revenue of approximately \$9 962 214 is from transactions with single external customers that amounts to 10% or more each of the Groups revenues. These revenues are attributable to customers domicile in Zimbabwe. The breakdown of the major component of the total revenue from three major individual customers with revenue of at least 10% each is US\$3 821 862, US\$ 3 591 810 and US\$ 2 548 842.

Segment information provided to the executive management team for the geographical reportable segments for the nine months to 30 September 2011 is as follows:

	Nine months to 30 September 2011		Twelve months to 31 December 2010			
	Zimbabwe US\$	Other US\$	Total US\$	Zimbabwe US\$	Other US\$	Total US\$
Revenue from external customers Profit before interest and taxation Net interest Income tax expense	16 799 867 2 004 138 170 776 542 869	1 766 184 - - -	18 566 051 2 004 138 170 776 542 869	15 407 045 1 834 702 151 293 436 534	962 494 - - -	16 369 539 1 834 702 151 293 436 534
Total assets	12 193 569	-	12 193 569	9 523 634	-	9 523 634
Total liabilities	5 037 369	-	5 037 369	3 740 263	-	3 740 263

The segment information provided to the executive management team for the product reportable segments for the nine months to 30 September is as follows:

50 September 15 d5 follows.	Nine month	Nine months to 30 September 2011		ths to 31 December 2010
	Cables US\$	Total US\$	Cables US\$	Total US\$
Revenue from external customers Profit before interest and taxation Net interest Income tax expense	18 566 051 2 004 138 170 776 542 869	18 566 051 2 004 138 170 776 542 869	16 369 539 1 834 702 151 293 436 534	16 369 539 1 834 702 151 293 436 534
Total assets	12 193 569	12 193 569	9 523 634	9 523 634
Total liabilities	5 037 369	5 037 369	3 740 263	3 740 263

#### 27 FINANCIAL RISK MANAGEMENT

### Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the Board of Directors. 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

#### Foreign exchange risk

The Group is exposed to foreign currency risk arising from various currency exposures on purchases that are denominated in a currency other than the US\$, primarily with respect to the South African Rand (ZAR). Foreign exchange risk arise from future commercial transactions and recognised assets and liabilities.

Management has set up a policy requiring the Group to manage its foreign currency exchange risk against their functional currency.

As at 30 September 2011, the Group had no significant foreign currency denominated balances.

For the nine months ended 30 September 2011

#### 27 FINANCIAL RISK MANAGEMENT

Financial risk factors continued

#### ii)

The Group is not exposed to equity security price risk, as it has no investments in equities. The Group is not exposed to commodity price risk.

#### iii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

Borrowings issued at variable rates expose the Group to cashflow interest risk. The Group has no borrowings issued at variable rates and is therefore not exposed to cashflow interest rate risk.

Borrowings issued at fixed rates expose the Group to fair value interest rate risk. At 30 September 2011, if interest rates on borrowings had been 5% higher/lower with all other variables held constant, post tax profit would have been \$28 167 lower/higher mainly as a result of higher/lower interest expense on fixed rate borrowings.

#### 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. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding trade receivables. The Group 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.

The executive management team meets regularly to manage the concentration of credit risk, set and assess limits for the individual customer. The team assesses the credit 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 Group 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 customer classes as follows:

- key customers: individually negotiated up to a maximum of 60 days
- other customers: 30 days

Credit limits are open, but 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 and there is no recent history of default. Management does not expect any losses from non-performance by counter parties.

	30 September 2011 US\$	31 December 2010 US\$
Trade receivables from customers (gross)	3 681 620	1 818 690
Cash and cash equivalents (excluding bank overdraft)	243 906	371 693
	3 925 526	2 190 383
The fair value of cash and and cash equivalents at 30 September 2011 approximates the carrying amount.		
Analysis by credit quality of financial assets is as follows:- Neither past due nor impaired - Trade receivables	3 680 598	1 349 556
- Cash and cash equivalents	243 906	371 693
Total neither past nor impaired	3 924 504	1 721 249
Past due but not impaired - less than 14 days overdue - 31-60 days overdue - 90 days overdue	- 158 864	446 258 16 775 -
Total past due but not impaired	1 022	463 033
Past due and impaired	<u> </u>	6 101
Total	3 925 526	2 190 383

For the nine months ended 30 September 2011

#### 27 FINANCIAL RISK MANAGEMENT (continued)

#### Financial risk factors (continued)

#### (c) Liquidity risk

Cash flow forecasting is performed in the operating entity. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 21) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

Surplus cash held over and above balance required for working capital management is invested in interest bearing current accounts, time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. At the reporting date, the Group held other liquid assets of approximately \$243 906 (2010: \$371 693) that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 September 2011	Less than 3 months	Between 3 months and 1 year
Trade and other payables Borrowings	3 504 174 773 364 4 277 538	- - -
At 31 December 2010		
Trade and other payables	2 883 582	<u>-</u>

#### **CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group 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' on the consolidated statement of financial position plus debt.

During the period the Group's strategy was to maintain the gearing ratio at below 50%. The gearing ratio as at 30 September 2011 was as follows:

	2011 US\$
T ( II ) ( ) ( ) ( ) ( )	
Total borrowings (note 21)	751 112
Less: Cash and bank	(243 906)
Net debt	507 206
Total equity	8 104 647_
Total capital	8 611 853
Gearing ratio	6%

For the nine months ended 30 September 2011

#### 29 **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT**

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

#### Critical accounting estimates and assumptions

The Group 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 discussed below.

#### Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact deferred income tax provisions in the period in which such determination will be made.

#### Useful lives of property, plant and equipment

The Group'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.

The carrying amount of property, plant and equipment would be an estimated \$15 081 lower or higher were the useful lives to differ from management's estimate by 10%.

#### SUBSEQUENT EVENTS 30

There were no subsequent events that would have any effect on these financial statements.

# Value added statement

For the nine months ended 30 September 2011

		GROUP			
Wealth created	Nine months to 30 September 2011 US\$	%	Restated Twelve months to 31 December 2010 US\$	%	
Revenue	18 566 051	546	16 369 539	512	
Other income	60 358	2	76 133	2	
Less: bought in material	(15 223 445)	(447)	(13 250 707)	(415)	
Value added by the Group	3 402 964	100	3 194 965	100	
Wealth distribution					
To employees:					
Remuneration and benefits	1 569 602	46	1 511 556	47	
To government: taxation	542 869	16	436 534	14	
Retained	1 290 493	38	1 246 875	39	
Total	3 402 964	100	3 194 965	100	



## ANNUAL REPORT AND ACCOUNTS

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# Ratios and statistics

	2011	2010	2009
Share performance			
Number of shares (000)	32 609	32 416	32 327
Attributable earnings per share (cents)	3.97	3.85	1.34
Diluted earnings per share (cents)	3.93	3.78	1.33
Price: earnings' ratio	17.63	4.16	11.23
Market capitalisation	22 826 300	5 186 507	4 489 100
Market price per share (cents)	70	16	15
Ratios and returns			
Profitability (%)			
Operating margin	11	11	10
Return on equity	20	24	13
Income after tax to capital employed	16	19	8
Solvency			
Financial gearing ratio	6	0	0.3
Interest cover (times)	12	12	31
Total interest-bearing debt to shareholders' funds	10	-	0
Total liabilities to shareholders' funds	70	65	45
Liquidity			
Current assets to interest-free liabilities and	2	2	2
short-term borrowings	2	2	3
Productivity			
Turnover per employee US\$	126 300	118 620	55 220
Turnover to payroll (times)	13	11	8
Shareholders' funds to turnover (%)	39	35	62
Other			
Number of employees	147	138	132
Number of shareholders	622	382	355



## ANNUAL REPORT AND ACCOUNTS

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# Group performance review

	Nine months 2011	Full year 2010	Full year 2009
Metal Sales	1 525	1 511	795
FINANCIAL	US\$	US\$	US\$
Turnover Domestic Export	18 566 051 16 799 866 1 766 185	16 369 539 15 407 045 962 494	7 289 086 7 049 554 239 532
Profit before tax	1 833 362	1 683 409	696 833
Profit attributable to shareholders	1 290 493	1 246 875	594 664
Dividend	-	-	-
Capital expenditure	157 965	239 871	3 564
Shareholders funds	7 156 200	5 783 371	4 532 606

## ANNUAL REPORT AND ACCOUNTS

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# Analysis of shareholders

Top 20 shareholders as at 30 September 2011

	Shareholder	Number of shares	% of total
1	CBI-ELECTRIC AFRICAN CABLES	23 076 174	70.77
2	MESSINA INVESTMENTS	3 667 545	11.25
3	DELTA ENFIELD CABLES	448 800	1.38
4	RADIA PRAKASH	448 800	1.36
5	NATIONAL PENSION SCHEME	413 461	1.27
6	JOHN MUKARO	412 916	1.27
7	NATIONAL SOCIAL SECURITY (WCIF)	364 925	1.12
8	TSF NOMINEES	259 137	0.79
9	FARM AND TRADE	259 137 250 744	0.79
10		141 207	0.77
11	Avenell investments (private ) limited Delware trading (private) limited	136 700	0.43
12	STEPHENSON P.H	130 000	0.42
13		128 261	0.40
	ARMADA (PRIVATE) LIMITED		
14	KHM TRUST	125 922	0.39
15	EDWARDS NOMINEES	121 049	0.37
16	GEZMARK INVESTMENTS (PRIVATE) LIMITED	120 549	0.37
17	WILSON ESQ,KENT RAYMOND	120 000	0.37
18	NATIONAL RAILWAYS OF ZIMBABWE	96 467	0.30
19	FERBROS NOMINEES	92 367	0.28
20	ALPHA ASSET MANAGEMENT NOMINEES	75 186	0.23
	OTHER	30 624 235	93.91
	OTHER	1 984 765	6.09
	TOTAL	32 609 000	100.00

#### Analysis of shareholding

,	Number of shareholders	%	Number of shares	%
1- 500	190	30.55	36 971	0.11
501-1000	115	18.49	79 751	0.24
1001-5000	195	31.35	432 772	1.33
5001-10000	47	7.56	322 705	0.99
10001-50000	49	7.88	988 774	3.03
50001-100000	9	1.45	592 885	1.82
100001 and above	17	2.73	30 155 142	92.48
Total	622	100	32 609 000	100



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# Shareholders' calendar 2011-2012

2011 annual report distributed	Jan 2012	2012 results announced	November 2012
66 <sup>th</sup> Annual General Meeting	Feb 2012	2012 annual report	Jan 2013
2012 half-year results announced	May 2012	67 <sup>th</sup> Annual General Meeting	Feb 2013
Dividend dates: Nil			

#### NOTICE TO SHAREHOLDERS

Notice is hereby given that the  $66^{th}$  annual general meeting of the members of CAFCA Limited will be held in the boardroom at the company's registered office at 54 Lytton Road, Workington, Harare, at 12.00 noon on Thursday 23 February 2012 for the following purposes:

- 1. To receive and consider the directors' report, audited financial statements and the report of the auditors for the nine months ended 30 September 2011.
- 2. To appoint Messrs PricewaterhouseCoopers as auditors for the ensuing year.
- 3. To approve the audit fees for the year.
- 4. To re-elect as directors Messrs A. Mabena and S.E Mangwengwende

#### Notes

1. A member entitled to vote at the above meeting may appoint one or more proxies as alternate 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. For further information on voting procedures, see the notes on the proxy information sheet.



#### Cabling to world class standards

## Shareholders information

## **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 corporation.
- 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.