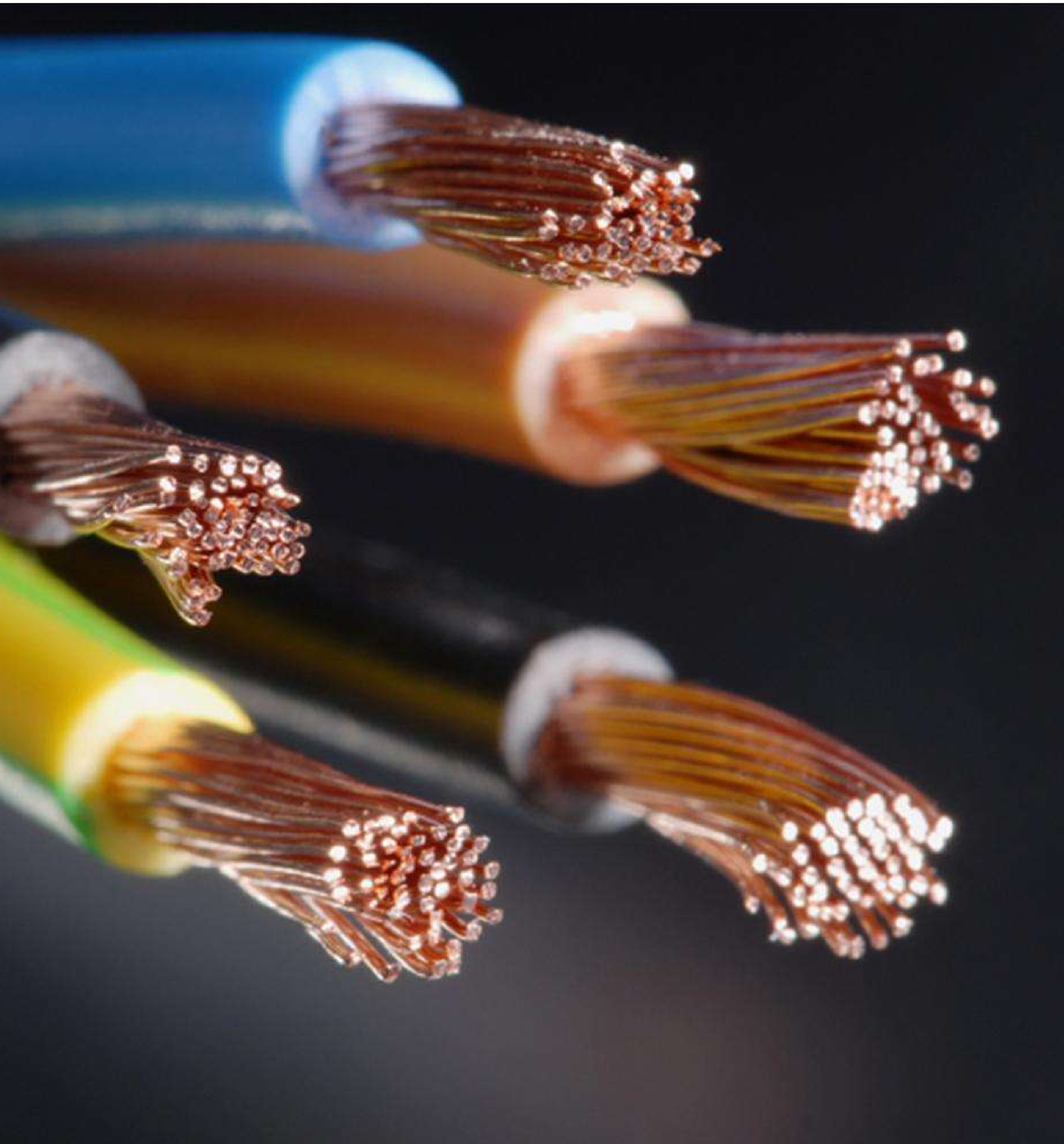
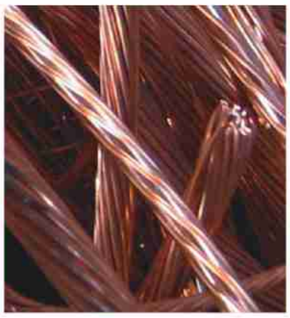
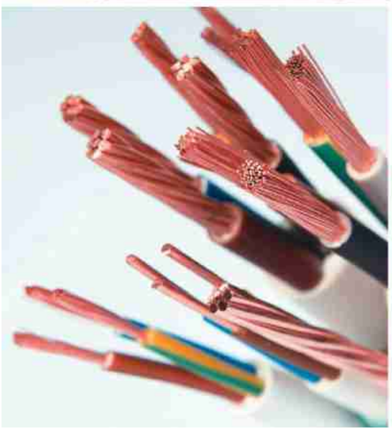
CAFCA ANNUAL REPORT AND ACCOUNTS 2013



Contents

Company profile




Corporate

CAFCA Limited ("CAFCA") is quoted on the Zimbabwe, 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.

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.

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.

The period in brief

Financial highlights

	30 September 2013 US$
Revenue	23 858 213
Operating profit	2 068 342
Profit before income tax	1 910 887
Attributable profit	1 416 509
Earnings per share (cents)	4.34

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 14001:2004.

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 1st Runner up 2005

Confederation of Zimbabwe Industries (CZI)
- Industrial Exporter of the Year 1st Runner up 2008

Energy Efficiencay Award
- 1st Runner up 2011

Zimbabwe Quoted Companies Survey 2012
- Manufacturing Winner

Industrial Energy Management Award
- Winner 2013

Exporter of the year
- Runner up 2012

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 18001:2007

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

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 (the "board") 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 Group's strategic direction, providing the leadership to put this into effect, supervising the management of the business and reporting to the shareholders on its stewardship.

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

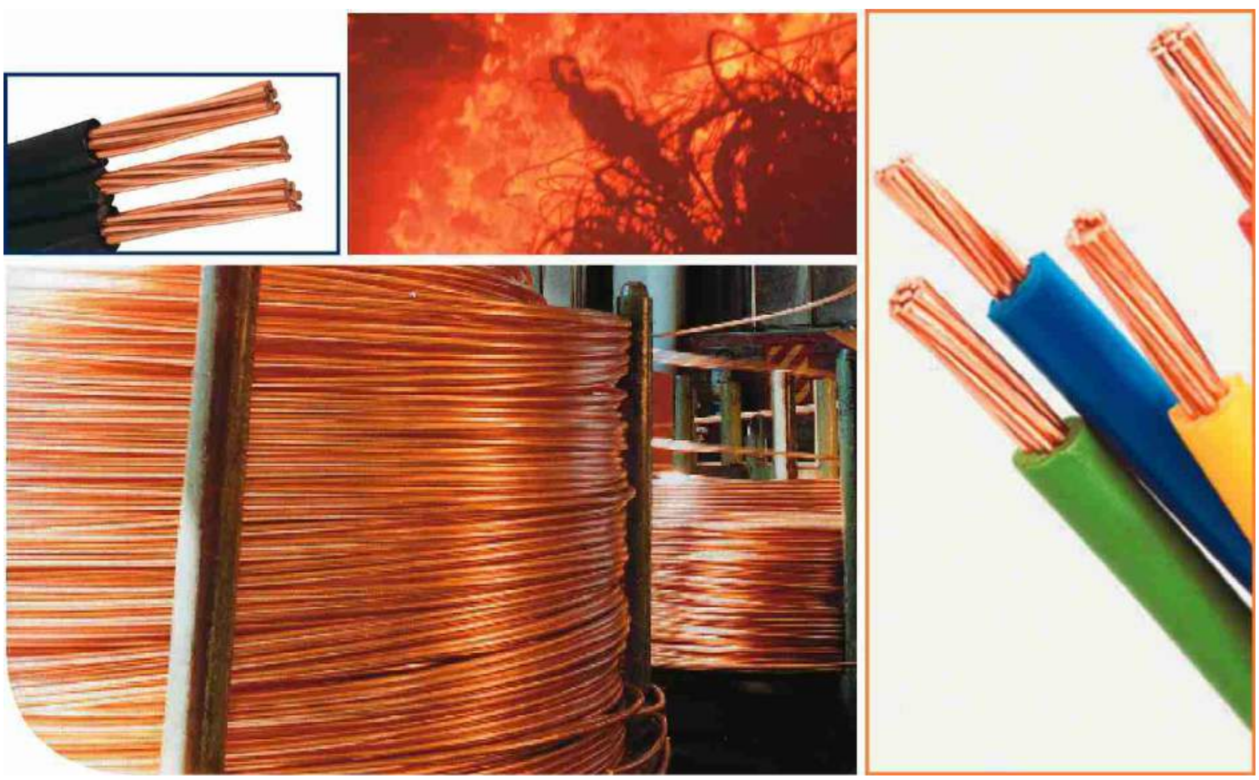
Following the appointment of new directors to the board, an induction programme is arranged in order to facilitate their under-standing of the Group.

Audit committee

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



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 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

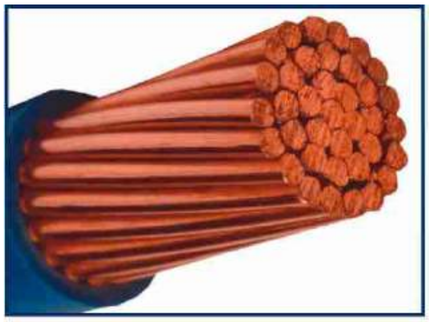
The Group's performance is monitored by weekly and monthly management meetings and is supported by management reporting disciplines that include the preparation of annual business plans and monthly results reported against budgets and other targets.

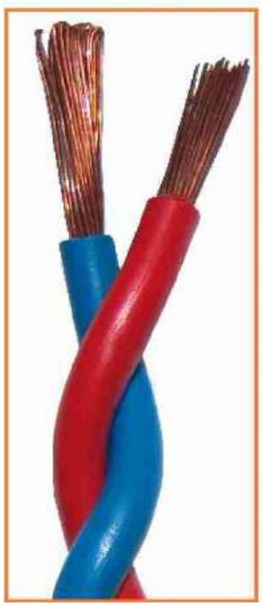
Compensation committee

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

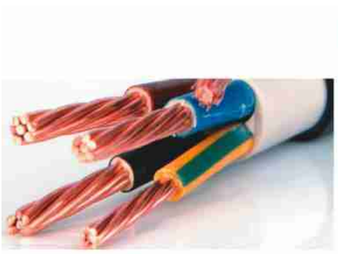
While operating risk can never be fully eliminated, the Group endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and people are in place throughout its business. Key policies employed in managing operating risk involve the segregation of duties, transactions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





Directors' report

The directors have pleasure in presenting their report together with the financial statements of CAFCA Limited for the twelve months ended 30 September 2013.



Reporting currency
The financial reports have been prepared in United States Dollars ("US$").

Capital
Authorised share capital
The authorised capital remains unchanged since last year.

Issued share capital
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 reported in the financial statements for the year ended 30 September 2013 which are set out on pages 18 to 43.

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

At all levels we put our best endeavours into achieving product performance, safety and reliability. We monitor, control, document and regularly review all Group activities from design through to production and inspection.

We hold quality systems' accreditation and product approvals from a number of authorities both local and international.

Directors' report (continued)

Senior executives

The management team comprises:

Rob Webster - Managing director

Caroline Kangara - Finance executive

Godfrey Mavera - Chief engineer

Farai Mukumbira - Sales and marketing executive

Dumisani Mhlanga - Manufacturing executive

Directors' interests

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

	Number of shares	
	Shares held directly	**Shares held indirectly**
H.P. Mkushi	-	399,105
R.N. Webster	-	136,700
E.T.Z. Chidzonga	100	-
A.E. Dickson	100	-
A. Mabena	100	-
S.E. Mangwengwende	100	-
T.A. Taylor	200	-

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.

	Meetings held	**Meetings attended**
H.P. Mkushi	4	3
R.N. Webster	4	4
A.E. Dickson	4	4
E.T.Z. Chidzonga	4	4
A. Mabena	4	4
S.E. Mangwengwende	4	2
T.A. Taylor	4	4

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 E.T.Z. Chidzonga and T.A. Taylor 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.

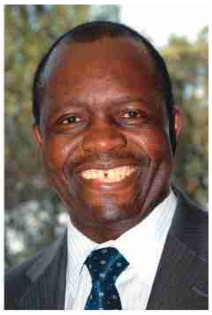
Employment policies
CAFCA Limited does not discriminate on the basis of race, religion, sex or disability and is committed to providing opportunities, safe working conditions and attractive remuneration to staff.

The 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.

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

Directors

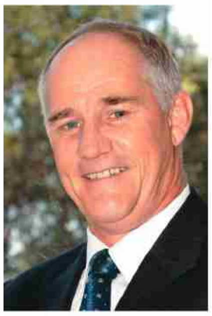


Honour is an advocate of the High Court of Zimbabwe. He has been in private legal practice since 1971 and has an immaculate professional record with the Law Society of Zimbabwe.

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 experience in Constitutional Law making, including attending the Geneva and Lancaster House, London negotiations for Zimbabwe's independence. He was a Commissioner involved in the drafting of the new Constitution for Zimbabwe in 1999.

Honour chairs the boards of seven reputable corporations in Zimbabwe.

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



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.

Executive director/managing director Robert Neill Webster
(Appointed to the board on 11 July 2006).
B.Acc (Natal), C.A (Z)

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

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.

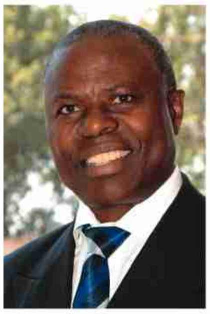
A businessman and director of other companies, Alvord is currently into farming and consultancy.

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

Directors (continued)

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

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



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 (Private) Limited; Duly's (Private) Limited and Intermarket Life Assurance Company of Zimbabwe, among other directorships.

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

Non-executive director Edwin Tavengwa Zinyoro Chidzonga
(Appointed to the board on 17 Febuary 2000).
M.A. (Accounting & Finance) UK, F.C.C.A. (UK), F.C.M.A (UK), M.I.M. (UK)

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 non-profit 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 programme 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 Simbarashe Emanuel Mangwengwende
(Appointed to the board on 1 October 2006).
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.

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's operations and for the management of environmental issues.

Objectives

- To comply with all applicable laws, regulations and standards for health 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.
- Conduct continuing risk assessment, particularly on effective guarding of plant and equipment.
- Post appropriate signs.
- Train all new employees in basic safety as part of their induction programme.
- Provide additional training in first aid, fire fighting and the use of specialist safety equipment on an on-going basis.
- Carry out in-depth reviews of causes of accidents and implement necessary improvements to avoid a repetition.
- Benchmark with the mining industry regularly.
- Give appropriate publicity to health and safety issues.

Lost man days (from health and absenteeism)

Year	Number	% of total man days
2013	753	2,88
2012	841	3,22
2011	732	2,80
2010	716	2,13
2009	436	1,31

Operations' report (continued)

We have not experienced any fatalities for at least 40 years. Accidents are defined as incidents, which result in injury or illness. The target is zero.

Safety		
Year	**Number of accidents**	**Lost man days**
2013	16	15
2012	13	9
2011	8	130
2010	17	27
2009	14	14

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 Limited was certified for OHSAS 18001: 2007 in 2009.

Environment

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

The key environmental aspects CAFCA Limited 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 Limited is also participating in the Workington/Southerton environmental cluster, which focuses on:

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

Operations' report (continued)

CAFCA's carbon footprint 2013

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. Kyoto Protocol is an international agreement on Greenhouse Gas Emission Reduction linked to the United Nations Framework Convention on Climate Change, which commits its Parties by setting internationally binding emission reduction targets. A carbon footprint is the total set of greenhouse gases emissions caused by an organisation, event or product. It is expressed in terms of the amount of carbon dioxide or its equivalent of other GHGs emitted.

GHG figures for 2010 financial year formed the baseline for comparative reporting as shown in Table 1. Sources of GHGs at CAFCA have been identified and the GHG emissions calculated for the 2013 financial year. The GHG figures for 2011 and 2012 financial years are shown for comparative purposes.

CAFCA emissions' reporting has been organised 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 has been defined as Scope 1 (direct emissions) and Scope 2 (indirect emissions) only. Scope 3 (other indirect emissions from the reporting company's upstream and downstream activities) emissions have not been reported due to lack of accurate data from third parties. Both the Greenhouse Gas Protocol and ISO 14064 Part 1:2006 - Greenhouse Gases standards, state that it is optional to report Scope 3 emissions.

Direct emissions at CAFCA result from the consumption of charcoal, liquefied petroleum gas, diesel, petrol and acetylene. Other direct emissions sources are carbon dioxide emissions from the copper smelting and extrusion processes. Since 2010, direct fugitive emissions in the form of hydro fluorocarbons (HFCs) were obtained from fugitive emissions emitted from air conditioners and refrigerators. In 2013, all office air conditioners were decommissioned and replaced with stand alone fans as part of the energy saving initiatives. This decision was based on two factors; Environmental Management Act, 2002 S.I 2 (2013) requiring the use of R22 gas to be phased out by 2030 and that the air conditioners were not energy efficient. The technical laboratory and IT server room air conditioners were spared. The two air conditioners will be retrofitted with ozone friendly gas or replaced with energy efficient ones in the coming financial year. Indirect emissions at CAFCA are measured specifically from the use of purchased electricity.

Primary and secondary data is collected on a monthly basis from the company's departments. Emission factors to calculate carbon dioxide emissions or its equivalent were obtained from the Intergovernmental Panel on Climate Change (IPCC) (1996), IPCC (2006) and International Energy Agency (IEA, 2011). These are the recommended sources for default emission factors.

CAFCA's total greenhouse gas emissions in 2013 were 3 705 tons against 3 446 tons in 2012 (8% increase). Purchased electricity contributed 92% of the total greenhouse gas emissions. Electricity consumption increased by 7% in 2013 compared with 2012. The increase in electricity is attributed to the melting furnace being in operation from October 2012 to June 2013 when it was decommissioned and an increase in production output (tonnage) which increased by 3% compared with 2012.

The overall electricity energy intensity increased from 2441 Kwh/ton in 2012 to 2593 kwh/ton in 2013 (6% increase). The increase in electricity energy intensity was mainly due to an increase in rework in the factory as a result of recycling redundant copper. The organisation is engaged in a barter deal with the local power utility whereby CAFCA gets redundant copper in exchange for aluminium conductor. In 2012 the organisation was blending redundant copper with virgin copper at an average ratio of 70:30. The organisation moved to 100% redundant copper recycling in final quarter of 2013. For 100% recycling to be effective, the redundant copper had to be processed through the smelting furnace in two cycles to get good quality output.

In 2013, all office air conditioners were decommissioned and replaced with stand alone fans as part of the energy saving initiatives. This decision was based on two factors; Environmental Management Act, 2002 S.I 7 (2011) requiring the use of R22 gas to be phased out by 2015 and that the air conditioners were not energy efficient.

Operations' report (continued)

CAFCA's carbon footprint 2013 (continued)

The organisation expects to get significant reductions in electricity energy intensities through the management of electricity load centres to be established in early 2013. As a first step CAFCA has demarcated the factory into 14 electricity load centres. Work is in progress to monitor the total electricity consumption from the discrete load centres so it balances with that obtained from the main ZESA meter. Thereafter, electricity energy intensities (Kwh/ton) per load centre will be monitered in order to determine baseline energy intensities. These baseline measurements will then form the basis for setting objectives and targets for each load centre so they can introduce incremental improvements.

In order to take a holistic approach encompassing all CAFCA energy sources, CAFCA implemented the international standard ISO 50001:2011 for Energy Management Systems (EnMS) in 2013. The standard specifies the requirements for establishing, implementing, maintaining and improving an energy management system and also aims to help organisations continually reduce their energy use, and therefore their energy costs and greenhouse gas emissions. The energy saving initiatives mentioned in the 2012 report were incorporated in the EnMS operational control documentation. The certification process on this ISO 50001:2011 standard is scheduled to commence in first quarter 2014.

Table 1 shows the CAFCA GHG emissions' inventory for 2010, 2011, 2012 and 2013.

TABLE 1: CAFCA GHG emissions inventories

Emission sources	2013 total emissions (tons CO_2) - 12 month period	2012 total emissions (tons CO_2) - 12 month period	2011 total emissions (tons CO_2) - 9 month period	2010 total emissions (tons CO_2) - 12 month period
Scope 1:				
PETROL				
Forklifts	0.46	16.46	17.35	10.95
Company vehicles	65.55	76.23	67.64	88.71
DIESEL				
Forklifts	27.52	13.6	7.1	14.84
Company vehicles	78.74	63.61	52.01	49.18
Generators	13.44	21.18	14.43	24.96
LPG	48.65	31.5	13.23	0.000765
CHARCOAL	61.49	45.45	1.52	0.05
HFC's				
Refridgerators	0.000765	0.000765	0.000574	0.000765
Air conditioners	0.002	0.05	0.0375	0.05
ACETYLENE	0.44	0.44	0.79	0.676
GRAPHITE	4.345	3.151	2.82	4.66
EXTRUDERS	1.23	1.975	8.15	13.86
Scope 2: ELECTRICITY	3430.71	3172.48	2363.65	2722.15
TOTAL GHG EMISSIONS	3705.58	3446.13	2548.73	2936.64

Chairman's statement

Management and staff are to be commended for the results achieved in these difficult times and for maintaining discipline and standards, particularly the accreditation of our three Management Systems ISO9001, ISO14001 and OHSAS 18001.

Overview

CAFCA cable is used primarily in capital projects. The current liquidity crunch has curtailed most capital projects in the country resulting in reduced local demand. The situation has been further exacerbated by the importation of cables from China, India and South Africa who discount significantly on any large orders.

We are encouraged by the new Minister of Industry and Commerce's comments on wanting to protect and grow the manufacturing industry in Zimbabwe.

Our marketing strategies have therefore been based on combating these challenges – namely to meet imported competition on price and offer short lead times and to stimulate local consumption with initiatives such as copper barter recycling.

These strategies are short term survival strategies, hoping that in the long term there will be national policies aimed at stimulating local demand and encouraging the production of locally manufactured goods.

Future outlook

We do not see an improvement in the immediate future in the liquidity in the market or local growth. Policy changes and implementation will take a period of time to kick in.

We believe we have strategies in place that will allow us to maintain current volumes. Borrowings will be a focus and it is anticipated that all borrowings will be eliminated by the half year. Exports will also be a focus to maintain volume throughput.

Thanks

We acknowledge with thanks the support we get from our various stakeholders. In particular we acknowledge the support from our majority shareholder and the support we get from the our major customers in particular the ZESA Group of companies.

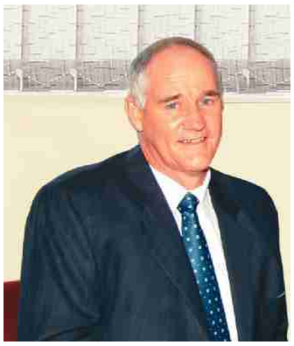
Management and staff are to be commended for the results achieved in these difficult times and for maintaining discipline and standards particularly the accreditation of our three Management Systems ISO9001, ISO14001 and OHSAS 18001.

Lastly may I take this opportunity to thank my fellow directors for their valuable contribution and support.

H.P. Mkushi
Board Chairman

Cafca Limited
14 November 2013

Managing director's report



Credit is given to the manufacturing and technical teams who have successfully adopted our processes and procedures to allow us to run on 100% recycled copper without compromising the final quality of the cable.

Performance

During the year we sold 2 110 tonnes of product, a volume increase of 8% over the previous year. We are particularly proud of this achievement considering the difficulties being experienced in the local market. Growth was achieved by increasing exports and being creative in the local market. Exports increased from 272 tonnes to 313 tonnes. Sales to ZETDC were on a barter basis with redundant copper cable being traded for aluminium cable. Such was the success of the arrangement that CAFCA has not had to import copper for the last 3 months relying solely on running the furnace on recycled copper.

Operations

Credit is given to the manufacturing and technical teams who have successfully adapted our processes and procedures to allow us to run on 100% recycled copper without compromising the final quality of the cable.

The marketing team must also be recognised for the amount of time and effort they have invested in assisting and working with ZETDC to achieve sustainable copper harvesting targets.

The strategy during the year had to be adapted from a position where we had good stocks of raw materials and finished goods to allow us to offer very short lead times to one of reducing stocks to allow us to invest in debtors to secure strategic sales. The bulk of the sales in debtors were to ZETDC and companies working with ZETDC on the prepaid meter project.

Staff

Our staff complement of 159 people has remained fairly constant throughout the year-daily around 222 people work at CAFCA suggesting just under a third of our human resource requirement is out sourced.

During the year CAFCA has not had any major staff movements other than a loss to the market of a number of graduate employees. At any one time we have around 10 university students on attachment, the bulk of whom end up in employment at CAFCA – it is this group of employees that we struggle to retain once they can show the market that they are both qualified and have good corporate experience.

Outlook

We are concerned by the lack of liquidity in the market and where foreign direct investment will come from to alleviate the problem or from where external lines of credit will be obtained.

In anticipation of a tightening situation, our short term strategy is to reduce costs by returning to a single shift system, eliminate borrowings by reducing stocks and debtors and ensure break even sales are achieved through barter and export sales.

We believe this strategy will allow us to produce sales and profits in line with current levels. Any increase in turnover arising from any positive change in policy will reflect as year on year growth.

Appreciation

Our customers are our focus and we thank them for their support.

Our suppliers are considered our business partners and we also thank them for their support.

In this tight liquidity environment we are also very reliant on the support of our bankers and we thank them for their loyalty and support.

Lastly a big thank you to the directors and staff of CAFCA for their support without which the Company would not succeed.

R. N. Webster
Managing Director

CAFCA Limited
14 November 2013

Directors' declaration

In the opinion of the directors of CAFCA Limited, the financial statements and notes set out on pages 18 to 43 have been prepared in accordance with the Zimbabwe Companies Act (Chapter 24:03) and:

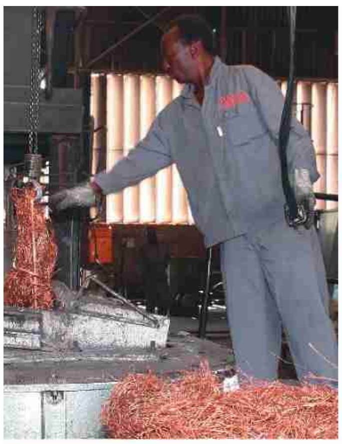
- Give a true and fair view of the financial position of the Group as at 30 September 2013 and its performance as represented by the results of its operations and its cash flows for the year then ended.

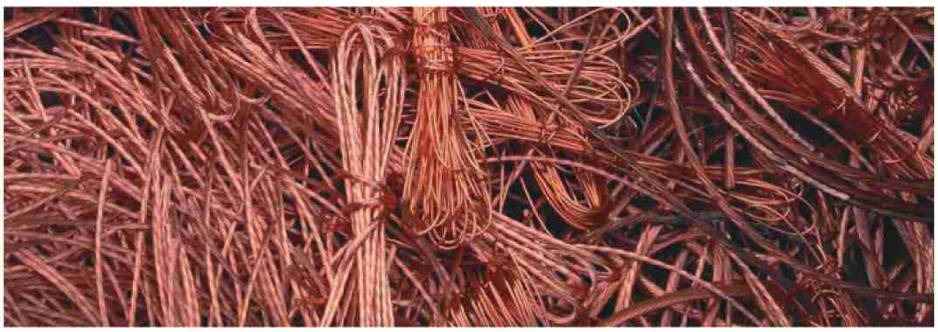
- Comply with International Financial Reporting Standards.

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	R. N. Webster
Chairman	Managing Director
Harare, Zimbabwe	Harare Zimbabwe
14 November 2013	14 November 2013





Independent auditor's report

pwc

To the shareholders of

CAFCA LIMITED

We have audited the consolidated financial statements of CAFCA Limited and its subsidiary (the "Group") and the separate 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 as at 30 September 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 18 to 43.

Directors' responsibility for the financial statements
The directors are responsible for the preparation of financial statements that give a true and fair view 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 and for such internal control as the directors determine is necessary to enable the preparation of the 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 consolidated 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 about 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 judgment, 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 control 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 financial statements present fairly, in all material respects, the financial position of the Group and of the Company as at 30 September 2013, and the Group's financial performance and its cash flows for the year 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

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare **6 January 2014**

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (4) 338362-8, F: +263 (4) 338395, www.pwc.com

T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

Statement of financial position

As at 30 September 2013

	Notes	GROUP 2013 US$	GROUP 2012 US$	COMPANY 2013 US$	COMPANY 2012 US$
ASSETS					
Non-current assets					
Property, plant and equipment	6	3 092 748	3 066 240	-	-
Investment property	7	-	-	105 143	105 143
Investment in subsidiary	8	-	-	127 047	146 198
		3 092 748	3 066 240	232 190	251 341
Current assets					
Inventories	9	5 750 874	6 428 876	-	-
Trade and other receivables	11	5 118 150	3 439 738	-	-
Cash and cash equivalents	12	64 784	419 631	-	-
		10 933 808	10 288 245	-	-
Total assets		14 026 556	13 354 485	232 190	251 341
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the parent					
Share capital	13.2	326	326	326	326
Share premium	13.2	80 699	80 699	80 699	80 699
Share option reserve	13.3	46 346	65 497	46 346	65 497
Retained earnings		10 112 248	8 695 739	99 562	99 562
Total equity		10 239 619	8 842 261	226 933	246 084
LIABILITIES					
Non-current liabilities					
Deferred income tax liabilities	14	680 948	732 929	5 257	5 257
Current liabilities					
Trade and other payables	15	1 276 041	2 441 550	-	-
Current income tax liabilities		-	573	-	-
Provisions for other liabilities and charges	16	87 948	228 523	-	-
Borrowings	17	1 742 000	1 108 649	-	-
		3 105 989	3 779 295	-	-
Total liabilities		3 786 937	4 512 224	5 257	5 257
Total equity and liabilities		14 026 556	13 354 485	232 190	251 341

These financial statements were approved for issue by the board of directors on 14 November 2013 and signed on its behalf by:

H.P Mkushi
Chairman

R.N Webster
Managing Director

Consolidated statement of comprehensive income

For the year ended 30 September 2013

	Notes	2013 US$	2012 US$
Revenue	18	23 858 213	23 119 929
Cost of sales	20	(18 818 048)	(18 187 087)
Gross profit		5 040 165	4 932 842
Distribution costs	20	(152 925)	(167 873)
Administrative expenses	20	(2 891 564)	(2 434 777)
Other income	19	72 666	51 866
Operating profit		2 068 342	2 382 058
Finance income	21	495	145
Finance costs	21	(157 950)	(89 925)
Profit before income tax		1 910 887	2 292 278
Income tax expense	22	(494 378)	(620 239)
Profit for the year		1 416 509	1 672 039
Other comprehensive income		-	-
Total comprehensive income for the year		1 416 509	1 672 039
Attributable to:			
-Owners of the parent		1 416 509	1 672 039
-Non-controlling interests		-	-
		1 416 509	1 672 039
Basic earnings per share (cents)	23	4.34	5.13
Diluted earnings per share (cents)	23	4.30	5.07

Consolidated statement of changes in equity

For the year ended 30 September 2013

	Share capital US$	Share premium US$	Share option reserve US$	Non distributable reserve US$	Retained earnings US$	Total US$
At 1 October 2011	326	80 699	51 475	3 891 668	3 132 032	7 156 200
Total comprehensive income for the year	-	-	-	-	1 672 039	1 672 039
Profit for the year	-	-	-	-	1 672 039	1 672 039
Other comprehensive income for the year	-	-	-	-	-	-
Transfer of non-distributable reserve	-	-	-	(3 891 668)	3 891 668	-
Transactions with owners:						
Share options	-	-	14 022	-	-	14 022
At 30 September 2012	326	80 699	65 497	-	8 695 739	8 842 261
At 1 October 2012	326	80 699	65 497	-	8 695 739	8 842 261
Total comprehensive income for the year	-	-	-	-	1 416 509	1 416 509
Profit for the year	-	-	-	-	1 416 509	1 416 509
Other comprehensive income for the year	-	-	-	-	-	-
Transactions with owners:						
Share options	-	-	(19 151)	-	-	(19 151)
At 30 September 2013	326	80 699	46 346	-	10 112 248	10 239 619

Consolidated statement of cash flows

For the year ended 30 September 2013

	Notes	2013 US$	2012 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		1 910 887	2 292 278
Adjustment for:			
Depreciation	**6**	223 702	213 621
(Profit)/loss on disposal of property, plant and equipment		(1 130)	1 940
Share option (credit)/charge	**20.1**	(19 151)	14 022
Finance income	**21**	(495)	(145)
Finance costs	**21**	157 950	89 925
Allowance for impairment for trade receivables		24 847	6 845
Working capital changes:			
Decrease/(increase) in inventories		678 002	(1 343 989)
(Increase)/decrease in trade and other receivables		(1 703 259)	250 844
Decrease in trade and other payables		(1 165 509)	(909 341)
(Decrease)/increase in provisions for other liabilities and charges		(140 575)	22 106
Cash (used in)/generated from operations		(34 731)	638 106
Finance income	**21**	495	145
Finance costs	**21**	(157 950)	(89 925)
Income tax paid		(546 932)	(615 686)
Net cash used in operating activities		(739 118)	(67 360)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	**6**	(250 210)	(116 352)
Proceeds from disposal of property, plant and equipment		1 130	1 900
Net cash used in investing activities		(249 080)	(114 452)
Net decrease in cash and cash equivalents		(988 198)	(181 812)
Cash and cash equivalents at the beginning of the year		(689 018)	(507 206)
Cash and cash equivalents at the end of the year	**12**	(1 677 216)	(689 018)

Notes to the financial statements

For the year ended 30 September 2013

1 GENERAL INFORMATION

CAFCA Limited ('the company') and its subsidiary BICC CAFCA (Private) Limited (together, 'the Group') manufactures and supplies cables for transmission and distribution of energy and information. CAFCA Limited is a public limited liability company incorporated in Zimbabwe. The Company has its primary listing on the Zimbabwe Stock Exchange and a secondary listing on the Johannesburg Stock Exchange. These financial statements were approved for issue by the board of directors on 14 November 2013.

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 International Financial Reporting Committee ("IFRIC") interpretations and the requirements of the Zimbabwe Companies Act Chapter (24:03) and the relevant Statutory Instruments 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 4.

2.1.2 Changes in accounting policy and disclosures

a) New standards, amendments and interpretations effective for the first time for 30 September 2013 year ends

The following new standards, amendments and interpretations are effective for the first time for 30 September 2013 year ends and are relevant to the Group.

Number	Effective date	Executive summary
IAS 1 (amendment) - 'Presentation of financial statements'	1 July 2012	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.
IAS 12 (amendment) - 'Income taxes' on deferred tax.	1 January 2012	IAS 12, 'Income taxes', 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.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (continued)

2.1.2 Changes in accounting policy and disclosures (continued)

b) New standards, amendments and interpretations issued but not effective for 30 September 2013 year ends that are relevant to the Group but have not been early adopted.

Number	Effective date	Executive summary
Narrow-scope amendments to IAS 36, 'Impairment of assets'	1 January 2014	These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.
IFRS 9 – 'Financial Instruments' (2009)	1 January 2015	This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.
IFRS 9 – 'Financial Instruments' (2010)	1 January 2015	The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss.
IFRS 9 – 'Financial Instruments' (2011)	1 January 2013	IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurment categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.
IFRS 10 - 'Consolidated financial statements'	1 January 2013	The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements.
Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12 and IAS 27 for investment entities	1 January 2014	The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make.
IFRS 12 - 'Disclosures of interests in other entities'	1 January 2013	IFRS 12 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.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (continued)

2.1.2 Changes in accounting policy and disclosures (continued)

b) New standards, amendments and interpretations issued but not effective for 30 September 2013 year ends that are relevant to the Group but have not been early adopted (continued).

Number	Effective date	Executive summary
IFRS 13 (new) - 'Fair value measurement'	1 January 2013	IFRS 13 aims to improve consistency and reduce complexity by providing a precise 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 or US GAAP.
IFRS 7 (amendment) - 'Financial Instruments: Disclosures - Assets and Liability offsetting'	1 January 2013	This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.
IAS 32 (amendment) - 'Financial Instruments: presentation'	1 January 2014	This amendment updates the application guidance in IAS 32, 'Financial instruments: presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of of financial position. The amendments clarify that the right of set-off must be available today, that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendments also clarify that gross settlement mechanisms (such as through a clearing house) with features that both (i) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement;
IAS 27 (revised 2011) - 'Separate financial statements'	1 January 2013	This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
Improvements to IFRSs (Issued May 2012)	The amendments are effective for annual periods beginning on or after 1 January 2013	These amendments are the result of conclusions the International Accounting Standards Board ("IASB") reached on proposals made in its annual improvements project. They contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.
Amendment to the transition requirements in IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint Arrangements', and IFRS 12, 'Disclosure of interests in other entities'	1 January 2013	The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10 is adopted for example, 1 January 2013 for a calendar-year entity that adopts IFRS 10 in 2013. Entities adopting IFRS 10 should assess control at the date of initial application; the treatment of comparative figures depends on this assessment. The amendment also requires certain comparative disclosures under IFRS 12 upon transition.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (continued)

2.1.2 Changes in accounting policy and disclosures (continued)

c) New and amended standards and interpretations issued but not effective for 30 September 2013 year ends that are not relevant to the Group.

Number	Effective date	Executive summary
IAS 19 - 'Employee benefits'	1 January 2013	The IASB has issued an amendment to IAS 19, 'Employee benefits', which makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.
IAS 28 (revised 2011) - 'Associates and joint ventures'	1 January 2013	The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
Amendment to IAS 39 on novation of derivatives	1 January 2014	The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a CCP meets specified criteria. Similar relief will be included in IFRS 9, 'Financial Instruments'.
IFRS 1 (amendment) - 'First time adoption on government loans'	1 January 2013	The amendment aligns IFRS 1 with the IAS 20 requirements (after its revision in 2008) to prospectively fair value government loans with a below-market rate of interest. The general requirement in IFRS 1 for first-time adopters to apply IFRSs retrospectively at the date of transition to IFRSs could mean some entities have to measure such government loans at fair value at a date before the date of transition to IFRS.
IFRS 11 - 'Joint arrangements'	1 January 2013	IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.
IFRIC 20 (new) - 'Stripping costs in the production phase of a surface mine'	1 January 2013	IFRIC 20, 'Stripping costs in the production phase of a surface mine', sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities reporting under IFRS to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.
IFRIC 21 – 'Accounting for levies'	1 January 2014	IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses diversity in practice around when the liability to pay a levy is recognised.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation

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 potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

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

In the separate financial statements investments in subsidiaries are accounted for at cost less impairment losses.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets 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 a 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 Dollars (US$), which is the Group and Company's presentation currency and functional currency.

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

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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 costs are charged to the income statement during the financial period in which they are incurred.

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 and are included in other income/expenses in the income statement.

2.6 Investment property

Investment property is property held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business.

The investment property comprises land which is stated at cost and is not depreciated.

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains and losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in the income statement.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 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.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the loans and receivables category. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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 on the statement of financial position.

2.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

2.9 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.

2.10 Impairment of financial assets

Assets carried at amortised cost

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 income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.11 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.

2.12 Trade and other receivables

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

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

2.13 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 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.

2.15 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement, 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 substantively enacted at the reporting date in Zimbabwe. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. lt 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. If, however the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, 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 the deferred income tax liability is 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 tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income levied by the same taxation authority on either same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16 Trade and other payables

Trade and other 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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.17 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement 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.

2.19 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 profit or loss in the period in which they are incurred.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied 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: when it is probable that future economic benefits will flow to the entity and when 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 of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods - wholesale
Sales of goods are recognised when the products have been delivered to the customer and the customer has accepted the products.

(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 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 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.

The Group has no further obligations 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 obligations 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) Short term employee benefits

Short term benefits consists of salaries, accumulated leave payments, bonuses and any non-monetary benefits such as medical aid contributions.

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.23 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.

2.24 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 ecpected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss 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 transactions costs are credited to share capital (nominal value) and share premium when the options are exercised.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Share-based payments (continued)

The grant by the Company of options over its equity instruments to the employees of the subsidiary is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the Company's accounts.

2.25 Comparatives

Where necessary, comparative figures within notes to the financial statements have been restated to conform to changes in presentation in the current year.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity 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"). 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

i) Foreign exchange risk

The Group is exposed to foreign exchange 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 arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy requiring the Group to manage its foreign exchange risk against their functional currency. As at the reporting date, the Group had no significant exposures to foreign exchange risk (2012:nil).

ii) Price risk

The Group is not exposed to commodity or equity security price risk because it had no assets nor obligations that expose the Group to these risks at the reporting date (2012:nil).

iii) Cash flow and 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.

The Group has no borrowings issued at variable rates and is therefore not exposed to cash flow interest rate risk.

Based on the simulation performed, the impact on post-tax profit of 5% would be a maximum decrease of US$8 710 (2012: US$5 543). The simulations are done periodically to verify that the maximum loss potential is within the limit set by management.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contract. Credit risk arises from cash and cash equivalents, 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. For customers, credit control assesses the credit worthiness of the customers before credit is granted.

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

- key customer: individually negotiated up to a maximum of 60 days

- other customers: a maximum of 30 days

Credit limits are monitored based on the financial position and history of the customer's ability to pay.

In the view of management, the credit quality of trade receivables is considered sound and there is no recent history of default. Management does not expect any losses from non-performance by counter parties.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

	GROUP	
The Group's maximum exposure to credit risk by class of financial asset is as follows:	**2013 US$**	**2012 US$**
Trade and other receivables (excluding prepayments)	5 102 157	2 808 545
Cash at bank	53 117	412 505
	5 155 274	3 221 050

The fair value of cash and and cash equivalents at 30 September approximates the carrying amount.

Credit quality of financial assets

The credit quality of trade receivables can be assessed by reference to historical information about counterparty default rates:

	2013 US$	2012 US$
Counterparties without external credit rating:		
Group 1	5 058 990	2 797 556
Group 2	46 824	555
Group 3	13 072	5 187
	5 118 886	2 803 298

Group 1-Existing customers with no defaults in the past
Group 2-Existing customers with some defaults in the past. All defaults were fully recovered.
Group 3-Existing customers with defaults not recovered.

The concentration of credit risk with Zimbabwe Energy Transmission and Distribution Company (“ZETDC”) as at 30 September 2013 was US$2 487 933 (2012: US$1 607 758). There are no significant concentrations of credit risk with respect to cash and cash equivalents as the Group holds cash accounts with high quality financial institutions with sound financial and capital cover. The financial institutions holding the cash and cash equivalents of the Group have the following external credit ratings.

Financial institution	**Rating**	2013 US$	2012 US$
Barclays Bank of Zimbabwe Limited	AA-	52 818	325 476
Standard Chartered Bank of Zimbabwe Limited	AA-	4	257
Stanbic Bank Zimbabwe Limited	AA-	87	86 628
MBCA Bank Limited	A+	36	138
African Banking Corporation of Zimbabwe Limited	BBB	172	6
		53 117	412 505

The balance of cash and bank comprises petty cash balances held by the entity amounting to US$11 667 (2012:US$7 126). Other receivables do not contain impaired assets.

(c) Liquidity risk

Liquidity risk is the risk that the Group may fail to meet its payment obligations when they fall due, the consequencies of which may be the failure to meet the obligations to creditors. Where major gaps appear, action is taken in advance to close or minimise the gaps.

Cash flow forecasting is performed in the operating entity. The board 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 17) 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 by the operating entity over and above the balance required for working capital management is invested in interest-bearing current accounts or time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk

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

	Up to 1 month US$	1 month to 6 months US$	6 months to 1 year US$	Total US$
At 30 September 2013				
Assets				
Trade and other receivables (excluding prepayments)	2 370 576	2 676 402	55 179	5 102 157
Cash and cash equivalents	64 784	-	-	64 784
	2 435 360	2 676 402	55 179	5 166 941
Liabilities				
Trade and other payables (excluding statutory liabilities)	1 205 228	8 575	-	1 213 803
Borrowings	1 742 000	-	-	1 742 000
	2 947 228	8 575	-	2 955 803
Liquidity gap	(511 868)	2 667 827	55 179	2 211 138
Cumulative liquidity gap	(511 868)	2 155 959	2 211 138	-
At 30 September 2012				
Assets				
Trade and other receivables (excluding prepayments)	2 793 053	15 492	-	2 808 545
Borrowings	419 631	-	-	419 631
	3 212 684	15 492	-	3 228 176
Liabilities				
Trade and other payables (excluding statutory liabilities)	2 605 510	-	-	2 605 510
Borrowings	1 108 649	-	-	1 108 649
	3 714 159	-	-	3 714 159
Liquidity gap	(501 475)	15 492	-	(485 983)
Cumulative liquidity gap	(501 475)	(485 983)	(485 983)	-

The Group determines ideal weights for maturity time buckets which are used to benchmark the actual maturing profile. Maturing mismatches across the time buckets are managed through borrowings.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

3.1 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital 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.

The Group manages its capital structure and makes adjustments in light of the changes in economic conditions.

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.

Consistent with others in its industry, 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 year the Group's strategy was to maintain a gearing ratio of less than 50%.

The gearing ratio as at 30 September was as follows:

	GROUP	
	2013 US$	**2012 US$**
Total borrowings (note 17)	1 742 000	1 108 649
Less: cash and cash equivalents	(64 784)	(419 631)
Net debt	1 677 216	689 018
Total equity	10 239 619	8 842 261
Total capital	11 916 835	9 531 279
Gearing ratio	14%	7%

3.3 Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

At 30 September 2013 the Group had no financial instruments stated at fair value (2012: nil).

4 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.

a) 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 is made.

b) Useful lives and residual values 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 US$ 22 370 (2012:US$ 21 362) lower or higher where the useful lives was to differ from management's estimate by 10%.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

c) Going concern

The directors assess the ability of the Group to continue operating as a going concern at the end of each financial year. As at 30 September 2013, the directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the directors believe that under the current Zimbabwe economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

d) Impairment of trade and other receivables

The Group reviews its trade receivables to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to whether there is observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of trade receivables before the decrease can be identified with an individual receivable in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in the Group, or national or economic conditions that correlate with defaults in the Group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

5 SEGMENTAL 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.

Revenue is generated primarily from customers who are domiciled in Zimbabwe and other revenue is from external customers domiciled in South Africa, Malawi and Zambia.

	GROUP	
	2013 US$	2012 US$
Revenue from customers domiciled in Zimbabwe	21 267 729	20 369 835
Revenue from external customers	2 590 484	2 750 094
	23 858 213	23 119 929

Revenues from transactions with single local customers that amounted to 10% or more each, of the Group's revenues, total approximately US$8 986 333 (2012: US$ 11 146 875). These revenues are attributable to customers domiciled in Zimbabwe. The breakdown of the major component of the total revenue from major individual local customers with revenue of at least 10% each by industry is as follows:

	2013 US$	2012 US$
Energy transmission	6 385 458	3 988 420
Distributors	2 600 875	7 158 455
	8 986 333	11 146 875

The total of non-current assets located in Zimbabwe is US$ 3 092 748 (2012: US$ 3 066 240), and there are no non-current assets located in other countries.

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

	GROUP			
	2013 Cables US$	2013 Total US$	2012 Cables US$	2012 Total US$
Revenue from customers	23 858 213	23 858 213	23 119 929	23 119 929
Depreciation	223 212	223 702	213	213 621
Share option (credit)/charge	(19 151)	(19 151)	14 022	14 022
Profit before income tax	2 068 342	2 068 342	2 382 058	2 382 058
Finance income	(495)	(495)	(145)	(145)
Finance cost	157 950	157 950	89 925	89 925
Income tax expense	494 378	494 378	620 239	620 239
Total assets	14 026 556	14 026 556	13 354 485	13 354 485
Total liabilities	3 786 937	3 786 937	4 512 224	4 512 224

Notes to the financial statements

For the year ended 30 September 2013 (continued)

	GROUP					
	Land US$	Buildings US$	Plant and equipment US$	Motor vehicles US$	Office equipment US$	Total US$
6 PROPERTY, PLANT AND EQUIPMENT						
Year ended 30 September 2012						
Opening net book amount	105 143	716 368	2 027 108	318 730	-	3 167 349
Additions	-	34 145	61 372	20 835	-	116 352
Disposal	-	-	(3 840)	-	-	(3 840)
Depreciation charge	-	(19 146)	(102 924)	(91 551)	-	(213 621)
Closing net book amount	105 143	731 367	1 981 716	248 014	-	3 066 240
Year ended 30 September 2012						
Cost	105 143	799 973	2 333 939	486 895	-	3 725 950
Accumulated depreciation	-	(68 606)	(352 223)	(238 881)	-	(659 710)
Net book amount	105 143	731 367	1 981 716	248 014	-	3 066 240
Year ended 30 September 2013						
Opening net book amount	105 143	731 367	1 981 716	248 014	-	3 066 240
Additions	-	-	165 451	60 155	24 604	250 210
Depreciation charge	-	(21 579)	(111 142)	(89 614)	(1 367)	(223 702)
Closing net book amount	105 143	709 788	2 036 025	218 555	23 237	3 092 748
Year ended 30 September 2013						
Cost	105 143	799 973	2 499 390	541 317	24 604	3 970 427
Accumulated depreciation	-	(90 185)	(463 365)	(322 762)	(1 367)	(877 679)
Net book amount	105 143	709 788	2 036 025	218 555	23 237	3 092 748

Depreciation charge of US$ 250 210 (2011: US$213 621) has been charged in 'administrative expenses'.

	COMPANY	
	2013 US$	**2012 US$**
7 INVESTMENT PROPERTY		
Opening net book amount	105 143	105 143
Closing net book amount	105 143	105 143

The investment property comprises land which is not depreciated.

The land is occupied by the subsidiary 'BICC Central Africa (Private) Limited' and is used for the subsidiary's operations.
The investment property is classified as property, plant and equipment in the consolidated financial statements.
Management has assessed the fair value of the land with reference to market values and the fair value approximates the carrying values.

	GROUP	
	2013 US$	**2012 US$**
8 INVESTMENT IN SUBSIDIARY		
At 1 October	146 198	132 176
Share option (credit)/charge	(19 151)	14 022
At 30 September	127 047	146 198

The investment in the subsidiary comprises 100% shareholding in BICC Central Africa (Private) Limited.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

		GROUP	
		2013 US$	2012 US$
9	**INVENTORIES**		
	Raw materials and consumables	3 127 223	3 005 976
	Work in progress	265 334	848 220
	Finished goods	2 444 167	2 762 942
		5 836 724	6 617 138
	Provision for slow moving and obsolete stock	(85 850)	(188 262)
		5 750 874	6 428 876

The cost of inventories recognised as expense and included in 'cost of sales' amounted to US$16 206 025 (2012: US$15 633 628).

There were no inventories written down to net realisable value during the year (2012:nil)

There were no inventories pledged as security during the year (2012:nil)

		2013 US$	2012 US$
10	**FINANCIAL INSTRUMENTS BY CATEGORY**		
	Assets as per statement of financial position:		
	Loans and receivables:		
	Trade and other receivables (excluding pre-payments)	5 102 157	2 808 545
	Cash and cash equivalents	64 784	419 631
		5 166 941	3 228 176
	Liabilities as per statement of financial position:		
	Other financial liabilities at amortised cost:		
	Trade and other payables (excluding statutory liabilities)	1 213 803	2 376 987
	Borrowings	1 742 000	1 108 649
		2 955 803	3 485 636
11	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	5 118 886	2 803 298
	Less: allowance for impairment of trade receivables	(31 692)	(6 845)
	Trade receivables - net	5 087 194	2 796 453
	Prepayments	15 993	631 193
	Other receivables	14 963	12 092
		5 118 150	3 439 738

At 30 September 2013, trade receivables of US$2 389 992 (2012: US$2 780 961) were fully performing.

At 30 September 2013, trade receivables of US$ 2 697 202 (2012:US$15 492) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2013 US$	2012 US$
Up to to 3 months	1 812 915	-
3 months to 6 months	884 287	15 492
	2 697 202	15 492

At 30 September 2013, trade receivables of US$31 692 (2012:US$6 845) were past due and impaired. The ageing analysis of impaired trade receivables is as follows:

	2013 US$	2012 US$
Up to 1 month	1 180	-
1 month to 6 months	14 361	6 845
6 months to 1 year	16 151	-
	31 692	6 845

The carrying amounts of the Group's trade and other receivables are denominated in US$.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

	GROUP 2013 US$	GROUP 2012 US$
11 TRADE AND OTHER RECEIVABLES (continued)		
The movement on the allowance for impairment of trade receivable is as follows:		
At 1 October	6 845	-
Allowance for receivable impairment	24 847	6 845
At 30 September	31 692	6 845

The other classes within trade and other receivables do not contain impaired assets.

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.

12 CASH AND CASH EQUIVALENTS

	GROUP 2013 US$	GROUP 2012 US$
Cash at bank	53 117	412 505
Cash on hand	11 667	7 126
Cash and cash equivalents (excluding bank overdraft)	64 784	419 631

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	GROUP 2013 US$	GROUP 2012 US$
Cash and cash equivalents (excluding bank overdraft)	64 784	419 631
Bank overdraft (note 17)	(1 742 000)	(1 108 649)
	(1 677 216)	(689 018)

13 RESERVES

GROUP AND COMPANY

	US$
13.1 Authorised	
50 000 000 ordinary shares of US$0.00001 each.	500

13.2 Issued and fully paid	Number of shares	Ordinary shares US$	Share premium US$	Total US$
At 1 October 2011	32 609 000	326	80 699	81 025
Employee share option scheme:				
Shares issued	-	-	-	-
At 30 September 2012	32 609 000	326	80 699	81 025
At 1 October 2012	32 609 000	326	80 699	81 025
Employee share option scheme:				
Shares issued	-	-	-	-
At 30 September 2013	32 609 000	326	80 699	81 025

The unissued share capital is under the control of the directors subject to the limitations of the Zimbabwe Companies Act, (Chapter 24:03) and the Zimbabwe Stock Exchange Regulations.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

13 RESERVES (continued)

13.3 Share option reserve

Share options are granted to directors and selected employees. The directors were empowered to allot 3 232 700 unissued ordinary shares to senior personnel for the purpose of fulfilling the requirements of the employee share option scheme. The exercise price of the granted options is equal to the market prices of the shares on the date of the grant. Under the scheme, share options granted are exercisable between 31 December 2013 and 31 December 2015 at a price of US$0.12 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:

	GROUP AND COMPANY			
	2013 Number of share options issued	2013 Exercise price per share	2012 Number of share options issued	2012 Exercise price per share
Oustanding at beginning of year	355 000		355 000	
Granted	-		-	
Forfeited	(45 000)		-	
Exercised	-		-	
Oustanding at end of year	310 000	0.12	355 000	0.12
Options authorised	3 232 700		3 232 700	

Under the share option scheme, share options outstanding at the end of the year expire on 31 December 2015 and have the following expiry date exercise prices:

Options to be exercised in 2013	103 334	0.12	118 334	0.12
Options to be exercised in 2014	103 333	0.12	118 333	0.12
Options to be exercised in 2015	103 333	0.12	118 333	0.12
	310 000		355 000	

Of the 310 000 outstanding share options, 103 334 (2012:nil) are currently exercisable. 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.

The movement on the share option reserve is as follows:

	GROUP	
	2013 US$	2012 US$
At 1 October	65 497	51 475
(Credit)/charge to the profit or loss	(19 151)	14 022
At 30 September	46 346	65 497
13.4 Non distributable reserve		
At 1 October	-	3 891 668
Transfer to retained earnings	-	(3 891 668)
At 30 September	-	-
	COMPANY	
At 1 October	-	99 562
Transfer to retained earnings	-	(99 562)
At 30 September	-	-

The non-distributable reserve arose as a result of the transition from the use of the Zimbabwe Dollar to the United States Dollar as functional and presentational currency. The directors decided to transfer the balance of US$3 891 668 (Group) and US$99 562 (Company) to retained earnings in prior year.

Notes to the financial statements

For the year ended 30 September 2013 (continued)

14 DEFERRED INCOME TAXES

	GROUP 2013 US$	GROUP 2012 US$	COMPANY 2013 US$	COMPANY 2012 US$
The analysis of deferred income tax assets and deferred income tax liabilities is as follows:				
Deferred income tax assets:				
Deferred income tax assets to be recovered after more than 12 months	(3 720)	(5 293)	-	-
Deferred income tax assets to be recovered within 12 months	-	-	-	-
	(3 720)	(5 293)	-	-
Deferred income tax liabilities:				
Deferred income tax liabilities to be recovered after more than 12 months	684 668	738 222	5 257	5 257
Deferred income tax liabilities to be recovered within 12 months	-	-	-	-
	684 668	738 222	5 257	5 257
Deferred income tax liabilities (net)	680 948	732 929	5 257	5 257
The gross movement on the deferred income tax account is as follows:				
At 1 October	732 929	716 697	5 257	5 257
Profit or loss (credit)/charge	(51 981)	16 232	-	-
At 30 September	680 948	732 929	5 257	5 257

	GROUP Revenue received in advance US$	GROUP Total US$	COMPANY Revenue received in advance US$	COMPANY Total US$
Deferred income tax assets				
At 1 October 2011	(46 236)	(46 236)	-	-
Charge to the income statement	40 943	40 943	-	-
At 30 September 2012	(5 293)	(5 293)	-	-
At 1 October 2012	(5 293)	(5 293)	-	-
Charge to the income statement	1 573	1 573	-	-
At 30 September 2013	(3 720)	(3 720)	-	-

	GROUP Accelerated depreciation US$	GROUP Total US$	COMPANY Fair value gain US$	COMPANY Total US$
Deferred income tax liabilities				
At 1 October 2011	762 933	762 933	5 257	5 257
Charge to the income statement	(24 711)	(24 711)	-	-
At 30 September 2012	738 222	738 222	5 257	5 257
At 1 October 2012	738 222	738 222	5 257	5 257
Charge to the income statement	(53 554)	(53 554)	-	-
At 30 September 2013	684 668	684 668	5 257	5 257

Notes to the financial statements

For the year ended 30 September 2013 (continued)

	GROUP 2013 US$	GROUP 2012 US$
15 TRADE AND OTHER PAYABLES		
Trade payables	133 341	1 334 649
Amount due to related parties (note 25)	751 416	853 867
Social security expenses and other taxes	62 238	64 563
Accrued expenses	329 046	188 471
	1 276 041	2 441 550

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

16 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Bonus US$	Total US$
At 1 October 2011	206 417	206 417
Used in current year	220 243	220 243
Charged to the income statement	(198 137)	(198 137)
At 1 October 2012	228 523	228 523
Used in current year	55 982	55 982
Charged to the income statement	(196 557)	(196 557)
At 30 September 2013	87 948	87 948

The Group provides for bonuses during the course of the year.

17 BORROWINGS

	2013 US$	2012 US$
Bank overdraft	1 742 000	1 108 649

The Group has an overdraft facility limit of US$ 5 500 000 and a letter of credit facility limit of US$ 500 000.The facilities bear interest ranging between 10% and 11.5% per annum and are not secured.

The Group has the following undrawn facilities:
Fixed rate: expiring within 1 year

	2013 US$	2012 US$
Bank overdraft	3 758 000	1 391 351
Loan	500 000	500 000
	4 258 000	1 891 351

All borrowings are denominated in US$.

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

18 REVENUE

	2013 US$	2012 US$
Sale of goods-retail	15 483 614	12 775 788
Sale of goods-wholesale	8 374 599	10 344 141
	23 858 213	23 119 929

19 OTHER INCOME

	2013 US$	2012 US$
Rental income	20 087	17 217
Scrap sales	51 014	34 080
Other	1 565	569
	72 666	51 866

Notes to the financial statements
For the year ended 30 September 2013 (continued)

	GROUP 2013 US$	GROUP 2012 US$
20 EXPENSES BY NATURE		
Raw materials and consumables used	16 206 025	15 633 628
Employee benefit expense (note 20.1)	2 120 271	2 167 282
Audit fees:		
- Current year	48 667	36 622
- Prior year	-	-
Directors' emoluments:		
- Fees	66 246	44 965
- Other	89 682	134 188
Postage and telephone	26 032	35 431
Canteen	78 044	74 852
Trade promotion	16 269	16 700
Advertising costs	2 006	4 504
Plant repairs and maintenance	1 040 567	1 008 208
Repairs and maintenance-buildings	67 612	63 567
Repairs and maintenance- vehicles	205 458	155 018
Electricity and water charges	604 227	530 595
Depreciation charge	223 702	213 621
Quality and ISO certifications	78 984	78 743
Security	114 607	113 419
Machine running expenses	184 047	185 312
Insurance	53 111	48 778
Secretarial and printing costs	29 837	38 074
Legal and professional fees	58 746	22 475
Cleaning and laundry	40 175	36 677
Subscriptions	40 986	24 332
Computer expenses	40 395	24 577
Commission	16 520	23 012
Bank charges	48 325	41 433
Travel	83 792	-
Freight outwards	56 737	-
Forklifts hire	44 405	-
Other expenses	177 062	33 724
TOTAL COST OF SALES, DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES	21 862 537	20 789 737
The cost of sales, distributions costs and administrative expenses have been recognised as follows:		
Cost of sales	18 818 048	18 187 087
Distribution costs	152 925	167 873
Administrative expenses	2 891 564	2 434 777
	21 862 537	20 789 737
20.1 Employee benefit expense		
Salaries - executive management	280 623	395 353
Salaries and wages - non executive employees	1 704 903	1 620 230
Social security costs	19 381	11 237
Pension costs	134 515	126 440
Share options (credit)/charge	(19 151)	14 022
	2 120 271	2 167 282
21 FINANCE COSTS AND INCOME		
21.1 Finance cost		
Interest paid - bank overdraft	157 950	89 925
	157 950	89 925

Notes to the financial statements

For the year ended 30 September 2013 (continued)

	GROUP 2013 US$	GROUP 2012 US$
21.2 Finance income		
Interest income on short term bank deposits	(495)	(145)
Finance income	(495)	(145)
Net finance costs	157 455	89 780
22 INCOME TAX EXPENSE		
Current income tax	546 359	604 007
Deferred tax (credit)/charge	(51 981)	16 232
	494 378	620 239
The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the basic tax rate applicable to profits as follows:		
Profit before income tax	1 910 887	2 292 278
Notional taxation on profit for the year at a statutory rate of 25.75% (2012: 25.75%)	492 053	590 262
Tax effects of:		
Income not subject to tax	(291)	(2 303)
Non-deductible expenses	4 188	9 676
Prescribed limit on passenger motor vehicles	-	16 189
Other	(1 572)	6 415
	494 378	620 239
23 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 year.		
Profit attributable to shareholders (US$)	1 416 509	1 672 039
Weighted average number of ordinary shares in issue	32 609 000	32 609 000
Basic earnings per share (cents)	4.34	5.13
(b) Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has share options as a category of dilutive potential ordinary shares. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.		
Profit attributable to shareholders (US$)	1 416 509	1 672 039
Weighted average number of shares in issue	32 609 000	32 609 000
Share options outstanding at year end	310 000	355 000
	32 919 000	32 964 000
Diluted earnings per share (cents)	4.30	5.07

Notes to the financial statements

For the year ended 30 September 2013 (continued)

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 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 permanent employees including executive directors are eligible to be members of the fund.

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

	GROUP	
Contributions recognised as an expense for the year are:	**2013 US$**	**2012 US$**
Social security costs	19 381	11 237
Pension costs	134 515	126 440
	153 896	137 677

25 RELATED PARTY TRANSACTIONS

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

The following transactions were carried out with related parties:

	2013 US$	2012 US$
i) Sale of goods:		
CBI - Electric African Cables - a division of ATC (Proprietary) Limited	1 586 610	765 160
Goods are sold based on the price lists in force and terms that would be available to third parties.		
ii) Purchases of goods:		
CBI - Electric African Cables - a division of ATC (Proprietary) Limited	7 490 345	12 094 689
CBI - ATC (Proprietary) Limited	481 276	-
	7 971 621	12 094 689
Purchases from related parties are based on the price list in force and terms that are available to third parties.		
iii) Year- end balances arising from purchase of goods/services:		
Amounts due to related parties:		
CBI - Electric African Cables - a division of ATC (Proprietary) Limited	270 140	853 867
CBI - ATC (Proprietary) Limited	481 276	-
	751 416	853 867
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 managers (members of the executive committee).		
Salaries and other short - term benefits	436 551	597 750
Share options (credit)/charge	(19 151)	14 022
Directors' emoluments:		
- Fees	66 246	44 965
- Other	89 682	134 188
	573 328	790 925

Outstanding share options granted to key management were 310 000 (2012: 355 000).

There were no loans made to directors or key management of the Group during the year (2012:nil).

26 CAPITAL COMMITMENTS

The Group had no significant capital commitments authorised by the directors or contracted for at the reporting date (2012:nil).

27 CONTINGENCIES

The Group did not have any contingent assets or liabilities at the reporting date (2012:nil).

28 SUBSEQUENT EVENTS AFTER REPORTING DATE

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

Ratios and statistics

	2013	2012	2011	2010
Share performance				
Number of shares (000)	32 609	32 609	32 609	32 416
Attributable earnings per share	4.34	5.13	3.97	3.85
Diluted earnings per share	4.30	5.07	3.93	3.78
Price: earnings ratio	8.06	10.33	17.63	4.16
Market price per share (cents)	35	53	73	16
Market capitalisation (US$)	11 413 150	17 282 770	23 804 570	5 186 560
Ratios and returns (%)				
Profitablity				
Operating margin	8	10	11.00	11.00
Return on equity	15	21	20	24
Solvency				
Financial gearing ratio	0.16	0.08	0.07	-
Interest cover (times)	13.09	26.00	12.00	12.00
Total interest-bearing debt to shareholders' funds	0.17	0.13	0.10	-
Total liabilities to shareholders' funds	0.37	0.51	0.70	0.65
Liquidity				
Current assets to interest-free liabilities and short-term borrowings	4	4	2	2
Productivity				
Turnover per employee US$	149 114	157 278	126 300	118 620
Turnover to payroll (times)	11	11	13	11
Shareholders' funds to turnover (%)	43	38	39	35
Other				
Number of employees	159	147	147	138
Number of shareholders	616	741	622	382

Group performance review

	12 months ended September 2013	12 months ended September 2012	9 months ended September 2011	12 months ended December 2010
Metal sales (tonnes)	2 110	1 953	1 525	1 511
FINANCIAL	**US$**	**US$**	**US$**	**US$**
Turnover	23 858 213	23 119 929	18 566 051	16 369 539
Domestic	21 267 729	20 369 835	16 799 866	15 407 045
Export	2 590 484	2 750 094	1 766 185	962 494
Profit before income tax	1 910 887	2 292 278	1 833 362	1 683 409
Profit attributable to shareholders	1 416 509	1 672 039	1 290 493	1 246 875
Capital expenditure	250 210	116 352	157 965	239 871
Shareholders' equity	10 239 619	8 842 261	7 156 200	5 783 381

Analysis of shareholders

Top 20 shareholders as at 30 September 2013

	Shareholder	Number of shares	% of total
1	CBI-ELECTRIC AFRICAN CABLES	23 076 174	70.77
2	MESSINA INVESTMENTS	3 569 204	10.95
3	NATIONAL SOCIAL SECURITY (WCIF)	712 224	2.18
4	DELTA ENFIELD CABLES	448 800	1.38
5	NATIONAL PENSION SCHEME	413 461	1.27
6	JOHN MUKARO	412 916	1.27
7	RADIA PRAKASH	389 479	1.19
8	TSF NOMINEES	327 974	1.01
9	FARM AND TRADE	250 744	0.77
10	NATIONAL RAILWAYS PENSION FUND	160 154	0.49
11	AVENELL INVESTMENTS(PRIVATE) LIMITED	141 207	0.43
12	DELWARE TRADING (PRIVATE) LIMITED	136 700	0.42
13	STEPHENSON P.H	130 000	0.40
14	ARMADA (PRIVATE) LIMITED	128 261	0.39
15	GEZMARK INVESTMENTS (PRIVATE) LIMITED	120 549	0.37
16	WILSON ESQ,KENT RAYMOND	120 000	0.37
17	FERBROS NOMINEES	92 367	0.28
18	CONSTRUCTION INDUSTRY PENSION FUND	61 702	0.19
19	ZWM NOMINEES (PRIVATE) LIMITED	56 348	0.17
20	MASHONALAND HOLDINGS LIMITED	50 000	0.15
		30 798 264	94.45
	OTHER	1 810 736	5.55
	TOTAL	32 609 000	100.00

Analysis of shareholding

	Number of shareholders	%	Number of shares	%
1 - 500	196	31.82	39 570	0.12
501 - 1000	116	18.83	80 279	0.25
1001 - 5000	194	31.49	423 879	1.30
5001 - 10000	41	6.66	277 734	0.85
10001 - 50000	50	8.12	1 039 274	3.19
50001 - 100000	3	0.49	210 417	0.65
100001 and above	16	2.60	30 537 847	93.65
Total	**616**	**100**	**32 609 000**	**100**

Non-public shareholders are defined in the Zimbabwe Stock Exchange Listing Requirements, which requires disclosure of public and non-public shareholders, as follows:
- The directors of the company;
- An associate of the company or any subsidiaries;
- The trustees of any employee share scheme or pension fund established for the benefit of any director or employees of the company and its subsidiaries.
- Any person who, by virtue or any agreement, has the right to nominate a person to the board of the company; or
- Any person who, is interested in more than 10% or more of the securities of the company of the relevant class unless exempted by the committee.

CBI-Electric Africa Cables and Messina Investements and the directors shareholding disclosed on page 7 are categorised as non-public shareholders of the company.

Shareholders' calendar 2013-2014

2013 Annual report distributed	Jan 2014	2014 results announced	Nov 2015
68th Annual General Meeting	Feb 2014	2014 annual report	Jan 2015
2014 half-year results announced	May 2014	69th Annual General Meeting	Feb 2015

Notice to shareholders

Notice is hereby given that the 68th 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 20 February 2014 for the following purposes:

1. To receive and consider the directors' report, audited financial statements and the report of the auditors for the year ended 30 September 2013.
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 Mr E.T.Z. Chidzonga and Mr T.A. Taylor

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.

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.

Notes