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This Integrated Annual Report covers the financial year from 1 October 2016 to 30 September 2017. The reporting period is annual with the last report having been published in January 2017. The financial statements are presented in United States Dollars ("US\$").

CAFCA Limited ("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.

<u>Mission statement</u>

Our goal is to create long term shareholder value

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 strive for continued improvement.
- We achieve business excellence.
- We recognise suppliers as active partners in our business.
- We do it right.
- We respect and value each other's contribution.
- We work as a team.
- We provide equal opportunities and encourage personal growth.
- We care for the environment and support the community.

Corporate information

CAFCA Limited ("CAFCA") is quoted on the Zimbabwe Stock Exchange with a secondary listing on the Johannesburg Stock Exchange. Established in 1947, CAFCA is part of Reunert Electrical Engineering (Propriety) Limited incorporated in South Africa, which in turn is owned by Reunert Limited also incorporated in South Africa. 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.

Directorate and administration

DIRECTORSH.P. Mkushi (Chairman)
R.N. Webster (Managing Director) E.T.Z. Chidzonga A. Mabena S.E. Mangwengwende

T.A. Taylor P. De Villiers G. Eddey G.J.H. Steyn

SECRETARY

C. Kangara

INDEPENDENT AUDITOR

PricewaterhouseCoopers Chartered Accountants (Zimbabwe) Building No. 4 Arundel Office Park Norfolk Road Mount Pleasant Harare

LEGAL ADVISORS

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

African Banking Corporation of Zimbabwe Limited

Barclays Bank of Zimbabwe Limited

MBCA Bank Limited

Stanbic Bank Limited

Central Africa Building Society

ZB Bank Limited

Steward Bank Limited

REGISTERED OFFICE

54 Lytton Road Workington Harare

POSTAL ADDRESS

P. O. Box 1651 Harare Zimbabwe



Long service award recipient - 35 years Francis Kangayi

The period in brief

Financial highlights

30 September 2017

Revenue	19 310 457
Operating profit	1 223 077
Profit before income tax	1 226 227
Profit for the year	726 213
Earnings per share (cents)	2.21
Market price per share (cents)	29

Milestones

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

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

Quality management standard

Accredited to ISO 9001

(First company to gain accreditation in Zimbabwe:1994)

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)

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

National Industrial Energy Efficiency Award • 1St Runner up 2011

Zimbabwe Quoted Companies Survey 2012

· Manufacturing Winner

National Industrial Energy Efficiency Award

Winner 2013 and 2014

Exporter of the year

Runner up 2012

Energy management system

Accredited to ISO 50001



2017 Long service awards recipients

Corporate governance

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

Ethics

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

Board of directors

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

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

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

Audit committee

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

The audit 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 Company's objective of consistently adding value to the business. Business risks have been identified and relevant strategies are in place to address them. The managing director is required to identify and present all risks for review by the audit committee.

Management reporting

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

Compensation committee

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

Operations controls

While operating risk can never be fully eliminated, the Company 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.

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, and
- the Company's process for monitoring compliance with relevant laws and regulations.



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 2017.

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

Capital

Authorised share capital

The authorised share capital remains unchanged at 50 000 000 ordinary shares of US\$0.00001 each and 100 000 5.5% cumulative prefered shares of US\$0.00001 each.

Issued share capital

Issued share capital comprises 32 874 000 fully paid-up ordinary shares.

Unissued share capital

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

Results for the year

The results for the year are reported in the financial statements for the year ended 30 September 2017 which are set out on pages 16 to 47.

Attention to quality

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

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

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

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

In accordance with the Articles of Association, Messrs Mr A. Mabena, Mr S. E. Mangwengwende and Mr P. W. de Villiers retire by rotation.

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

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



2017 Galbraith trophy winners - Manufacturing Level Two Blue Team



Employment policies

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

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

Corporate governance

A statement on corporate governance is set out on page 4.

Auditors

PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated their willingness to continue as the Company's auditors. A resolution to authorise their re-appointment will be proposed at the Annual General Meeting.

Senior	executives
0011101	CACCACITE

Rob Webster - Managing director

Caroline Kangara - Finance executive

Farai Mukumbira - Sales and marketing executive

Godfrey Mavera - Chief engineer

Dumisani Mhlanga- Manufacturing executive

Meetings of directors

The following table sets out the number of board meetings held by CAFCA Limited during the period under review and those attended by each director.

	Meetings held	Meetings attended
H.P. Mkushi	4	4
R.N. Webster	4	4
E.T.Z. Chidzonga	4	4
P. W. de Villiers	4	4
G.W. Eddey	4	2
A. Mabena	4	4
S.E. Mangwengw	ende 4	4
G.J.H. Steyn	4	4
T.A. Taylor	4	4

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	-	550 421	
R.N. Webster	-	266 700	
E.T.Z. Chidzonga	100	-	
A. Mabena	100	-	
S.E. Mangwengwe	nde 100	-	
T.A. Taylor	200	-	
G.W. Eddey	100	-	
P. W. de Villiers	100	-	
G.J.H. Steyn	100	-	

Directors



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

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

Honour has sat on various boards including the following: Chairman of the Council of Great Zimbabwe University for 6 years. Chairman of the Board of Zimpapers for 12 years. Chairman of the Board of Zimbabwe Mass Media Trust for 14 years.

Chairman of the Board of Leyland Zimbabwe Motor Corporation for 10 years. Chairman of the Board of Commercial Union Insurance Company for 8 years.

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

Board Member of Lonrho Zimbabwe Limited - Motor and Mining.

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



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

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

He joined CAFCA in 2006 as managing director.



Simbarashe Emanuel Mangwengwende Non-executive director B.Sc. (Eng.) (Hons.) (Electrical Engineering) (University of Zimbabwe), M.Sc. (Management of Technology) (Washington University. U.S.A). F.Z.W.E.I.E, Mem. I.E.E.E

Appointed to the board on 1 October 2006

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

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



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

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

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

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

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



Directors (continued)



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

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

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



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

Edwin joined Minerals Marketing Corporation of Zimbabwe (MMCZ) as 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.



Graeme Wales Eddey Non-executive director Appointed to the board on 19 February 2015

After having joined Siemens Limited Southern Africa in January 1999 and holding various positions within the Siemens Group, Graeme was appointed to the board as chief financial officer, of Siemens Enterprise Communications in October 2006. With the disinvestment of Siemens' global telecommunications group, Reunert Limited acquired the Southern Africa operations of Siemens Enterprise Communications.

In November 2012 Graeme was appointed financial director of CBI-Electric: African Cables, a subsidiary company within the Reunert Limited Group and later appointed managing director of the organisation in September 2014.

Graeme has obtained extensive training and work experience both locally and abroad during his career.



Gideon Johannes Hendrik Steyn Non-executive director BCompt Hons (University of South Africa) Appointed to the Board 19 February 2015

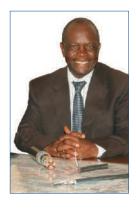
Johan completed his articles with KPMG and left as an audit supervisor to join ATC (Proprietary) Limited. After working in various tasks and capacities, Johan was appointed as Divisional Director Finance of the company and subsequently appointed as the Head of Internal Audit of Reunert

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



Pieter Wouter de Villiers Non-executive director B. Eng. (Electronic) University of Pretoria B.Comm. University of South Africa Appointed to the board on 19 February 2015

Pieter joined CBI Electric African Cables in 2000 as Production Manager. He is currently the Technical Director of that company. Before joining CBI, Pieter worked for USKO Limited and Morris Material Handling.



Chairman's report

Overview

The Company has shown modest growth in volumes over the previous year despite the difficult operating environment in the country.

The strategy to reduce costs to be in line with the reduced demand for the company's products has been a success with profit before tax increasing by 81% despite turnover only increasing 6.4%.

The generation of US\$4 million in cash will allow the Company to replace ageing assets and take advantage of any foreign currency made available for raw materials.

Future outlook

The Company has been given a period of protection from imports to allow it to improve competitiveness. Foreign currency will therefore become a key issue for obtaining both capital equipment and replenishing raw materials. We thus need to work closely with the Reserve Bank of Zimbabwe, our mining sector customers and generate exports to secure the necessary foreign exchange.

Our barter deal with ZESA therefore remains key as this removes a significant foreign currency requirement to import copper.

With the necessary foreign currency made available plus the good stocks we have built up the Company is well placed to ensure the local market cable requirements are met.

Thank

We appreciate the support shown by the Ministry of Industry and Commerce for local manufacture by giving us this period of protection against imports.

We would like to thank our customers in particular the ZESA Group for their continued support and the Mining Sector for their understanding and foreign currency support.

Management and staff are to be commended for a good set of results and generating the necessary resources to allow the Company to invest in improving its competitiveness.

Lastly, thanks for the support from my fellow directors and the Holding Company which has allowed the Board to steer the Company through this difficult time.

H. P. Mkushi Board Chairman

CAFCA LIMITED 9 November 2017





Managing director's report

Performance

Despite a very difficult operating environment characterised by reduced economic activity and limited availability of foreign exchange the Company has managed to grow volumes by 8% and turnover by 6.4%.

In anticipation of being given a period of protection from imports the Company adopted a strategy of cash generation. We managed to generate cash of US\$4 million by improving working capital. This will stand us in good stead to continue to service the local market and make resources available to reinvest in assets to improve competitiveness.

Operations

Our 2 shift operation is now comfortably producing 180 to 200 tons a month which is adequate to meet local demand and export into the region.

Inventories at US\$8,2 million give us strategic spread over the 1800 plus line items that we are asked to make in the 21 day lead time we offer our customers.

We made a strategic decision to decommission our furnace in September that had lasted 32 months against an estimated useful life of 18 months. Hopefully the new furnace will take us through to at least the middle of 2019.

Outlook

In return for the protection given to the Company from imports we have a big responsibility to ensure the requirements of the local market are met. In addition the Company is obliged to export to generate foreign currency. We will also require foreign currency to invest in assets to improve our competitiveness. The balancing of foreign currency for these 3 competing needs will be our challenge.

Every effort is being made to procure locally as much raw material as we can including assisting in a local copper electrolysis project.

Standards

With the assistance of our service providers Standards Association of Zimbabwe ("SAZ") and South African Bureau of Standards ("SABS") who between them during the year have audited us 4 times we have managed to retain our certifications of ISO9001(Quality Management System), ISO14001(Environmental Management System), OHSAS 18001(Occupational Health and Safety System), ISO50001 (Energy Management System) together with SABS and SAZ mark certification.

Thanks

To the Chairman and fellow directors a big thank you for the support during the year – your wise council is appreciated.

To the executive team and all CAFCA staff thank you for your individual and team contribution to this year's success.

Lastly, thank you to all our customers and other stakeholders who have partnered us during the year and contributed to our success.

R. N. Webster Managing Director

a selvar

CAFCA LIMITED 9 November 2017





Directors' declaration

In the opinion of the directors of CAFCA Limited, the financial statements and notes set out on pages 16 to 47 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 Company as at 30 September 2017 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 Company has adequate resources to operate for the foreseeable future and will remain a viable going concern in the year ahead.

These annual financial statements have been prepared under the supervision of the Finance Executive, Caroline Kangara, an Associate Member of the Institute of Chartered Secretaries and Administrators, registered with the Public Accountants and Auditors Board, Public Accountant Certificate Number 04293.

Signed in accordance with a resolution of the directors:

H. P. Mkushi Chairman Harare, Zimbabwe

Harare, Zimbabwe 9 November 2017 R. N. Webster Managing Director Harare, Zimbabwe 9 November 2017

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Independent auditor's report

To the shareholders of CAFCA Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CAFCA Limited (the "Company") as at 30 September 2017, and its 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).

What we have audited

CAFCA Limited's financial statements set out on pages 16 to 47 comprise:

- the statement of financial position as at 30 September 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B) ("IESBA Code"). We have fufilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Overall materiality	US\$78 300 which represents 5% of the three year average profit before income tax expense	
Key audit matters	Impact of trading conditions on the entity's operations Impairment assessment of plant and equipment	

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

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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.



Independent auditor's report (continued)

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	US\$78 300
How we determined it	5% of the three year average profit before income tax expense.
Rationale for the materiality benchmark applied	Profit before income tax is considered the most appropriate benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. Due to the unpredictable economic environment in which the Company operates, profit before income tax has been volatile and we considered it more appropriate to use a three year average profit before income tax as the benchmark. We chose 5% which is within the range of acceptable quantitative materiality thresholds used for profit-oriented companies in this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

How our audit addressed the key audit matters

Impact of trading conditions on the entity's operations

The continuing adverse macro-economic environment which is characterised by liquidity constraints, shortages of foreign currency and declining consumer demand has continued to put strain on the Company's financial performance which has seen the Company operating at a level of output which is below the current capacity levels.

The remittance of funds to foreign accounts now requires the approval of the Reserve Bank of Zimbabwe. As the amount of foreign currency is critically short, the amount available to business has been categorised into priorities. CAFCA Limited is highly dependent on foreign currency to facilitate importation of raw materials. Although CAFCA Limited ranks as priority as it imports raw materials to aid in producing and generating exports, the potential for reduced foreign currency allocations, due to the increasing trade deficit, coupled with the increase in copper prices which is a key raw material for the entity, affecting the landed cost of raw materials for production, could negatively impact the economic viability of the business.

We obtained an understanding of the budgetary process and evaluated the assumptions, including the growth and inflation rates for the 2017 budgets by agreeing these to internal and market sources of information. These procedures included assessing the appropriateness of management's budgetary process by comparing the current year actual results with the budget, and considering the effect on the budget of the actions initiated by management in the prior year to address the effects of the trading conditions. Furthermore, the actual revenue realised was higher than the budgeted revenue and we corroborated that this was due to increased local sales as a result of reduced competition from imported goods, a direct result of the foreign currency shortages in the market.

We also inspected the Statutory Instrument ("SI") 122 of 2017, for the control of goods (open general import licence) issued in September 2017 which gives CAFCA Limited protection by restricting the importation of copper cable into Zimbabwe. This has seen an average month on month increase in local sales.



Independent auditor's report (continued)

Key audit matters (continued)

Key audit matters

How our audit addressed the key audit matters

Impact of trading conditions on the entity's operations (continued)

In response to the present economic climate, management has adopted various initiatives aimed at cutting costs and preserving cash in order to maintain the business's viability.

These strategies have been disclosed in note 4 (d) to the financial statements.

We considered the impact of the current trading conditions on the entity's operations as a matter of most significance to the current year audit as it may have an unfavourable effect on the Company's financial performance and position. To confirm that CAFCA Limited is considered a priority for foreign currency allocation to enable it to make foreign currency payments and discharge its liabilities as they fall due, we inspected the priority categorisation for foreign payments as outlined in the Reserve Bank of Zimbabwe's Exchange Control Operational Guide 8 (ECOGAD8), which lists net exporters who import raw-materials or machinery to aid them to produce and generate more exports and non-exporting importers of raw materials and machinery for local production (value addition) that directly substitute import of essential finished goods, as high priority/priority one. CAFCA Limited is by the nature of its operations part of this category.

We considered the entity's financial performance subsequent to the reporting date by agreeing sales subsequent to year end to the monthly sales reports reviewed by the executive management team. In addition we also inspected confirmed orders for the months following the year end from a sample of the entity's key customers.

Impairment assessment of plant and equipment

The prevailing trading conditions, marred by liquidity constraints, low disposable income and foreign currency shortages which adversely impact the Company's ability to import the required quantities of raw material impacting production, have resulted in the entity adjusting operations in line with available resources. This has seen the entity operating at a level of output which is below the current capacity levels for the year ended 30 September 2017.

In addition repairs and maintenance costs for plant and equipment have continued to be significant and constitute more than 50% of the carrying amount of plant and equipment.

The above indicates that the plant and equipment may be impaired. Management performed an impairment assessment for plant and equipment, and determined the recoverable amount for plant and equipment based on a value in use calculation.

We considered the impairment assessment of management as a matter of most significance to our current year audit due to the use of assumptions and estimates in determining the recoverable amount of the assets that are based on future results and expected market and economic conditions. The most significant assumptions in these forecasts and valuations are projected sales volumes and long term pre-tax discount rates

Refer to Note 4 (a) 'Carrying value of, plant and equipment' in the financial statement for the related disclosure.

We obtained management's impairment assessment for plant and equipment and tested management's assumptions used.

Our audit procedures included:

- testing the future cash flows by comparing the forecast to current performance and our knowledge of the business;
- independently calculating an acceptable range of long term pre-tax discount rates, taking into account independently obtained data. Our range was based on the weighted average cost of capital ("WACC") calculation based on a capital asset pricing model. Based on our work performed we considered the long term pre-tax discount rate used by management to be within an acceptable range;
- comparing production volumes to the budgeted and to actual production volumes of the current year; and
- testing the reasonableness of the inflation rate applied to costs and metal prices in the impairment model by comparing it with current rates and market forecasts. Based on the work performed, we found the rate to be reasonable.

We performed an independent recalculation and compared our results with those of management. Our recalculation did not identify any significant differences with the client's assessment.



Independent auditor's report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the integrated annual report. Other information does not include the financial statements on pages 16 to 47 and our auditor's report

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies Act (Chapter 24:03), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

PricewaterhouseCoopers

Evangelista Ravasingadi Registered Public Auditor

Partner for and on behalf of PricewaterhouseCoopers Chartered Accountants (Zimbabwe) Public Accountants and Auditors Board, Public Auditor Registration Number 0391 Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 253514

22 January 2018 Harare Zimbabwe



Statement of financial position As at 30 September 2017

	Notes	2017 US\$	2016 US\$
ASSETS		334	334
Non-current assets			
Property, plant and equipment Loans and receivables	6 7	3 263 957 18 540	3 246 265 18 540
Edulis and receivables	•		
		3 282 497	3 264 805
Current assets			
Inventories	8 9	8 256 431	8 307 412
Current income tax receivables Trade and other receivables	9 10	18 950 2 389 492	84 085 3 326 334
Cash and cash equivalents (excluding bank overdraft)	11	4 168 171	1 473 598
		14 833 044	13 191 429
Total assets		18 115 541	16 456 234
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent			
Share capital	12.2	328	328
Share premium	12.2	177 948	169 281
Share option reserve	12.3	20 056 15 260 469	5 300
Retained earnings		15 200 409	14 534 256
Total equity		15 458 801	14 709 165
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	13	788 880	682 411
Current liabilities			
Trade and other payables	14	1 496 132	735 654
Provisions for other liabilities and charges	15	371 728	329 004
		1 867 860	1 064 658
Total liabilities		2 656 740	1 747 069
Total equity and liabilities		18 115 541	16 456 234

The notes on pages 20 to 47 are an integral part of these financial statements.

These financial statements were approved for issue by the board of directors on 9 November 2017 and signed on its behalf by:

H.P Mkushi Chairman

R.N Webster Managing Director

Statement of comprehensive income For the year ended 30 September 2017

No	tes	2017 US\$	2016 US\$
Revenue	16	19 310 457	18 148 818
Cost of sales	17	(14 714 416)	(14 039 000)
Gross profit		4 596 041	4 109 818
Distribution costs	17	(71 882)	(90 183)
Administrative expenses	17	(3 450 330)	(3 313 920)
Other income	18	134 525	42 373
Other gains	19	14 723	9 108
Operating profit		1 223 077	757 196
Finance income	20	3 150	-
Finance costs	21	-	(79 168)
Profit before income tax		1 226 227	678 028
Income tax expense	22	(500 014)	(259 424)
Profit for the year		726 213	418 604
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified to profit or loss		-	
Other comprehensive income for the year, net of income tax		-	
Total comprehensive income for the year		726 213	418 604
Attributable to: - Owners of CAFCA Limited - Non-controlling interests		726 213 -	418 604 -
		726 213	418 604
		Cents	Cents
Basic earnings per share 2	3.1	2.21	1.28
	3.2	2.21	1.25
Dituted earnings per snare 2	.J.Z	2.17	1.25

The notes on pages 20 to 47 are an integral part of these financial statements.



Statement of changes in equity For the year ended 30 September 2017

	Notes	Share capital US\$	Share premium US\$	Share option reserve US\$	Retained earnings US\$	Total US\$
Year ended 30 September 2016						
Balance as at 1 October 2015		328	138 081	57 733	14 115 652	14 311 794
Total comprehensive income for the year		-	-	-	418 604	418 604
Profit for the year		_	-	-	418 604	418 604
Other comprehensive income for the year		-	-	-	-	-
Transactions with owners in their capacity as owners: Issue of shares	12	-	7 200	-	-	7 200
Share options	12	-	24 000	(52 433)	-	(28 433)
Balance as at 30 September 2016		328	169 281	5 300	14 534 256	14 709 165
Year ended 30 September 2017						
Balance as at 1 October 2016		328	169 281	5 300	14 534 256	14 709 165
Total comprehensive income for the year		=	-	-	726 213	726 213
Profit for the year		-	-	-	726 213	726 213
Other comprehensive income for the year		-	-	-	-	-
Transactions with owners in their capacity as owners:						
Issue of shares	12	-	5 200	-	-	5 200
Share options	12		3 467	14 756	-	18 223
Balance as at 30 September 2017	=	328	177 948	20 056	15 260 469	15 458 801

The notes on pages 20 to 47 are an integral part of these financial statements.



Financial report 2017

Statement of cash flows For the year ended 30 September 2017

Notes	5	2017 US\$	2016 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		1 226 227	678 028
Adjustments for: Depreciation 6		358 763	319 270
Impairment of property, plant and equipment Profit on disposal of property, plant and equipment 19		- (14 723)	10 513 (9 108)
Non-cash employee benefit expense - share based payment 17.1		18 223	(28 433)
Finance income received 20		3 150	_
Finance costs paid Provision for slow moving and obsolete inventories 8		(69 137)	79 168 44 318
Provision for slow moving and obsolete inventories 8 Allowance for impairment of trade receivables 10		8 809	(39 771)
Working capital changes:		0 000	(55 77.1)
Decrease in inventories		120 118	1 188 883
Decrease in trade and other receivables		928 033	2 033 882
Increase/(decrease) in trade and other payables Increase in provision for other liabilities and charges		760 478 42 724	(1 640 495) 2 640
Net cash generated from operations		3 382 665	2 638 895
Finance income 20		(3 150)	-
Finance costs 21		- (200 440)	(79 168)
Income taxes paid 9		(328 410)	(312 205)
Net cash generated from operating activities		3 051 105	2 247 522
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment 6		(376 455)	(173 684)
Proceeds from sale of property, plant and equipment		14 723	23 575
Net cash utilised in investing activities		(361 732)	(150 109)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares 12.2	2	5 200	7 200
Net cash generated from financing activities		5 200	7 200
Increase in cash and cash equivalents		2 694 573	2 104 613
Cash and cash equivalents at the beginning of the year		1 473 598	(631 015)
Cash and cash equivalents at the end of the year 11		4 168 171	1 473 598
	=		

The notes on pages 20 to 47 are an integral part of these financial statements.



For the year ended 30 September 2017

1 GENERAL INFORMATION

CAFCA Limited (the "Company") is a public limited liability company incorporated in Zimbabwe. The Company has its primary listing on the Zimbabwe Stock Exchange and secondary listing on the Johannesburg Stock Exchange. These financial statements were approved for issue by the Board of Directors on 9 November 2017.

Scheme of reconstruction

A scheme of reconstruction A scheme of reconstruction was approved by the board of directors on 22 September 2015 and subsequently approved by the Zimbabwe Revenue Authority ("ZIMRA") with effect from 9 March 2016. The scheme involved a transfer of assets and liabilities previously held in BICC Central Africa (Private) Limited, previously the operating subsidiary, to the holding Company CAFCA Limited (together the "Group"). As a result of the scheme of reconstruction, BICC Central Africa (Private) Limited is now a dormant company and CAFCA Limited (the "Company") is now the operating company. The financial statements are no longer prepared on a consolidated basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of CAFCA Limited (the "Company") have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS and in the manner required by the Zimbabwe Companies Act (Chapter 24:03). The financial statements have been prepared on a historical cost basis.

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

2.1.2 Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations effective for the first time for 30 September 2017 year ends that are relevant to the Company

Standards/interpretation	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	1 January 2016	In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

(b) New standards, amendments and interpretations effective for the first time for 30 September 2017 year ends that are not relevant to the Company

Standards/interpretation	Effective date	Executive summary
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation	1 January 2016	In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, Agriculture' on bearer plants	1 January 2016	In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant to include examples of non-bearer plants and remove current examples of bearer plants from IAS 41.
Amendments to IAS 27, 'Separate financial statements' on equity accounting	1 January 2016	In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exemption	1 January 2016	The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.



For the year ended 30 September 2017 (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 effective for the first time for 30 September 2017 year ends that are not relevant to the Company (continued)

Standards/interpretation	Effective date	Executive summary
Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation	1 January 2016	This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
IFRS 14, 'Regulatory deferral accounts'	1 January 2016	The International Accounting Standards Board ("IASB") has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters, an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts').
		Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body.

(c) New standards, amendments and interpretations issued but not yet effective for the first time for 30 September 2017 year ends that are relevant to the Company but have not been early adopted

Standards/interpretation	Effective date	Executive summary
IFRS 9, 'Financial instruments (2009 and 2010) • Financial liabilities • Derecognition of financial instruments • Financial assets • General hedge accounting	1 January 2018	This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities. It also includes an expected credit losses model that replaces the current incurred loss impairment model. IFRS 9 includes a forward looking impairment model. A detailed assessment of the impact of the amendment to impairment of financial assets has not yet been performed.
IFRS 15, 'Revenue from contracts with customers'	1 January 2018	The Financial Accounting Standards Board ("FASB") and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.
Amendment to IFRS 15, Revenue from contracts with customers'	1 January 2018	The impact of the new standard will further be assessed in more detail. The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

(d) New standards, amendments and interpretations issued but not effective for 30 September 2017 year ends that are not relevant to the Company

Standards/interpretation	Effective date	Executive summary
Amendments to IFRS 2, 'Share-based payments' - clarifying how to account for certain types of share- based payment transactions	1 January 2018	This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

For the year ended 30 September 2017 (continued)

- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
- 2.1 Basis of preparation (continued)
- 2.1.2 Changes in accounting policy and disclosures (continued)
- New standards, amendments and interpretations issued but not effective for 30 September 2017 year ends that are not relevant to the Company (continued)

not relevant to the Company (continued)					
Standards/interpretation	Effective date	Executive summary			
Amendment to IFRS 4, 'Insurance contracts'- Regarding the implementation of IFRS 9, 'Financial instruments'	1 January 2018	These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will: • Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and • Give companies whose activities are predominantly connected with insurance an optional exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39.			
Amendment to IFRS 9, 'Financial instruments' - on general hedge accounting	1 January 2018	The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.			
		Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following: • Their own credit risk requirements for financial liabilities. • Classification and measurement requirements for financial assets. • Classification and measurement requirements for financial assets and financial liabilities. • The full current version of IFRS 9 (that is, classification and measurement requirements for financial assets and financial liabilities and hedge accounting).			
		The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9.			
IFRS 16, 'Leases'	1 January 2019 - earlier application permitted if IFRS 15 is also applied.	This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular.			
		Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.			
		For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.			
		At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.			
		IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an arrangement contains a lease', SIC 15, 'Operating leases – incentives' and SIC 27, 'Evaluating the substance of transactions involving the legal form of a lease'.			
IFRS 17, 'Insurance contracts'	ntracts' Early application is permitted for entities that apply IFRS 9, 'Financial	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.			
	instruments', and IFRS 15, 'Revenue from contracts with customers', at or before the date of initial application of IFRS 17.	Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.			

For the year ended 30 September 2017 (continued)

- 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
- 2.1 Basis of preparation (continued)
- 2.1.2 Changes in accounting policy and disclosures (continued)
- (d) New standards, amendments and interpretations issued but not effective for 30 September 2017 year ends that are not relevant to the Company (continued)

Standards/interpretation	Effective date	Executive summary
IFRS 17, 'Insurance contracts' (continued)	1 January 2021	Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.
		For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.
Amendment to IAS 7, 'Cash flow statements' - statement of cash flows on disclosure initiative	1 January 2017	In January 2016, the IASB issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.
disclosure illituative		The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.
Amendment to IAS 12, 'Income taxes' - recognition of deferred tax assets for unrealised losses	1 January 2017	The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets.
		The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets.
Amendment to IAS 40, 'Investment property' - Transfers of investment property	1 January 2018	These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.
IFRIC 22, 'Foreign currency transactions and advance consideration'	1 January 2018	This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.
IFRIC 23, 'Uncertainty over income tax treatments'	1 January 2019	IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The interpretation provides specific guidance in several areas where previously IAS 12 was silent. The interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting.
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets	Effective date postponed (initially 1 January 2016)	The postponement applies to changes introduced by the IASB in 2014 through narrow-scope amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures.
		The reason for making the decision to postpone the effective date is that the IASB is planning a broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

For the year ended 30 September 2017 (continued)

- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
- 2.1 Basis of preparation (continued)
- 2.1.2 Changes in accounting policy and disclosures (continued)
- (e) Improvements to IFRS

Annual improvements	Effective date	Subject of amendment				
Annual improvements 2014, issued September 2014						
Amendment to IFRS 5, 'Non-current assets held for sale and discontinued operations'	1 January 2016	This is an amendment to the changes in methods of disposal – Assets (o disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does no change the date of classification.				
Amendment to IFRS 7, 'Financial instruments: Disclosures'	1 January 2016	Applicability of the offsetting disclosures to condensed interim financial statements. The amendment removes the phrase and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose '[] an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report.				
Amendment to IFRS 7, 'Financial instruments: Disclosures'	1 January 2016	Servicing contracts - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.				
Amendment to IAS 19, 'Employee benefits'	1 January 2016	Discount rate: regional market issue – The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.				
Amendment to IAS 34,	1 January 2016	Disclosure of information 'elsewhere in the interim financial report'.				
'Interim financial reporting'		The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).				
		The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.				
Annual improvements 2014	- 2016					
Annual improvements 2014, issued September 2016	1 January 2017 and 2018	These amendments impact 3 standards: • IFRS 1, 'First-time adoption of IFRS', regarding the deletion of short-term exemptions for first-time adopters regarding IFRS 7, IAS 19, and IFRS 10 effective 1 January 2018. • IFRS 12, 'Disclosure of interests in other entities' regarding clarification of the scope of the standard. The amendment clarified that the disclosure requirements of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information (para B17 of IFRS 12). Previously, it was unclear whether all other IFRS 12 requirements were applicable for these interests. These amendments should be applied retrospectively for annual periods beginning on or after 1 January 2017. • IAS 28, 'Investments in associates and joint ventures' regarding measuring an associate or joint venture at fair value. IAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss ("FVTPL"). The Board clarified that this election should be made separately for each associate or joint venture at initial recognition.				

There are no other new or amended IFRSs or IFRIC interpretations that would be expected to have a material impact on the



For the year ended 30 September 2017 (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Common control transactions

A combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory and is excluded from the scope of IFRS 3, 'Business Combinations'. The board of directors made a policy choice to use predecessor accounting for common control transactions.

No assets or liabilities are restated to their fair values. Instead, the acquirer incorporates predecessor carrying values. These are the carrying values that are related to the acquired entity. They are generally the carrying amounts of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. These amounts include any goodwill recorded at the consolidated level in respect of the acquired entity. If no consolidated financial statements are produced, the values used are those from the financial statements of the acquired

The acquired entity's results and statement of financial position are incorporated retrospectively from the date on which the business combination between entities under the same control occurred. Consequently, the financial statements do reflect the results of the acquired entity for the period before the transaction occurred. The Company's separate financial statements include the subsidiary's full year's results (including comparatives).

2.3 Segment reporting

An operating segment is a component of an entity:

That engages in business activities from which it may earn revenues and incur expenses (including revenues

- and expenses relating to transactions with other components of the same entity);
 Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- For which discrete financial information is available.

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

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

Foreign currency translation

Functional and presentation currency

Items included in the financial statements 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 Dollar ("US\$"), which is the Company's presentation and functional currency.

Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in the 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'.

Property, plant and equipmentProperty, 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 Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the income statement during the reporting period in which they are incurred.

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

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

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

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

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

Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows



For the year ended 30 September 2017 (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6

Impairment of non-financial assets (continued) which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting date.

2.7 Financial assets

Classification

The Company 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 end of the reporting date. These are classified as non current assets. The Company's loans and receivables comprise trade and other receivables, loans and receivables and cash and cash equivalents in the statement of financial position.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, the entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest on loans and receivables calculated using the effective interest method is recognised in the income statement.

The Company 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.

Assets carried at amortised cost

For loans and receivables, 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 profit or loss. 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. As a practical expedient, the Company can measure impairment on the basis of an instrument's fair value using an observable market price.

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.

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Offsetting financial instrumentsFinancial 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling expenses.

2.10 Trade and other receivables

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

Other receivables generally arise from transactions outside the usual operating activities of the Company. Collateral is not normally obtained.

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

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment account. The Company considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).



For the year ended 30 September 2017 (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Trade and other receivables (continued)

Receivables for which an impairment allowance was recognised are written off against the allowance when there is no expectation of recovering additional cash.

Impairment losses are recognised in the income statement within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses

2.11 Cash and cash equivalents
For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities

2.12 Share capital

Ordinary shares are classified as equity.

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

2.13 Current and deferred income tax

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

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

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or liability settled.

Deferred income tax assets are recognised only if it is probable that future taxable profit will be available to utilise those temporary differences and losses

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

Trade and other payables

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

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

2.15 Provisions

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

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

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

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of value added tax, returns, rebates and discounts.

The Company recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Company activities as described below. The Company bases its estimate 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 Revenue from the sale of goods is recognised when the products have been delivered to or collected by the customer. Delivery does not occur until the products have been delivered to the specified location, the risks of obsolescence has been transferred to the customer and there are no unfulfilled obligations that could affect the customer's acceptance of the products.

(b) Sales of goods - retail Revenue from the sales of goods is recognised when the Company sells a product to the customer.



For the year ended 30 September 2017 (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Interest income

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

2.18 Employee benefits

Pension obligations

The Company operates a defined contribution plan.

A defined contribution plan is a pension plan under which the Company pays contributions to a privately administered pension plan on a contractual basis. The Company has no 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 and prior periods. The employee service in the current and prior periods. The pension plan is funded by payments from employees and by the Company and by taking account of the recommendations of independent actuaries. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Termination benefits

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

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

Bonus plans

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

Share-based payments

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

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

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

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

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

2.20 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing: - the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares,

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

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

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

Headline earnings per share

Headline earnings per share are calculated by dividing: the headline earnings of the Company, which is the profit attributable to owners of the Company, adjusted for goodwill impairments, capital profits and losses and other non-headline items,

 by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.



For the year ended 30 September 2017 (continued)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

(a) Market risk

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

i) Foreign exchange risk

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

The Company is exposed to foreign exchange risk arising from various currency exposures on purchases that are denominated in a currency other than the US\$, primarily with respect to the South African Rand ("ZAR").

Management has set up a policy requiring the Company to manage its foreign exchange risk against their functional currency. The Company's primary method of managing foreign exchange risk is to match the Company's principal cash outflows to the currency in which the principal cash inflows are denominated. This is generally achieved by converting all currencies received into US\$.

As at the reporting date however, the Company had no significant exposures to foreign exchange risk (2016: US\$nil).

ii) Price risk

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

The Company is not exposed to equity securities or commodity price risk because it had no assets nor obligations that expose the Company to these risks at the reporting date (2016: US\$nil).

iii) Cash flow and fair value interest rate risk

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

As the Company has no significant interest-bearing assets, the Company's income is substantially independent of changes in market interest rates (2016: US\$nil).

The Company has no borrowings and is therefore not exposed to cash flow interest rate risk (2016: US\$nil).

(b) Credit risl

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, loans and receivables, investments, as well as credit exposures to wholesale and retail customers including outstanding trade receivables. The Company manages and analyses credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

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

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

Payment terms and credit limits vary between customer classes as follows:

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

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



For the year ended 30 September 2017 (continued)

- 3 FINANCIAL RISK MANAGEMENT (continued)
- 3.1 Financial risk factors (continued)
- (b) Credit risk (continued)

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

	2017 US\$	2016 US\$
Loans and receivables Trade and other receivables (excluding prepayments and statutory receivables) Cash at bank	18 540 1 809 548 3 808 701	18 540 3 030 462 1 276 026
	5 636 789	4 325 028
The fair value of cash and cash equivalents at 30 September approximates the carrying amount because of their short nature.		
The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:		
Trade receivables (excluding amounts due from related parties) Counterparties without external credit rating:		
Group 1 - Existing customers with no defaults in the past. Group 2 - Existing customers with some defaults in the past. All defaults were fully recovered.	1 712 676	3 018 606 27 981
Group 3 - Existing customers with some defaults in the past. All defaults were fully recovered.	10 128	-
	1 722 804	3 046 587
The concentration of credit risk with Zimbabwe Energy Transmission and Distribution Company ("ZETDC") as at 30 September 2017 was US\$51 839 (2016: US\$1 177 599).		
Amounts due from related parties and other receivables (excluding prepayments and statutory liabilities)		
Amounts due from related parties Other receivables	106 644 8 378	- 3 344
Other receivables		
	115 022	3 344

None of the amounts due from related parties are past due or impaired and repayments have historically been received on time. The Company has procedures in place to assess whether to enter into once off transactions with third parties, including mandatory credit checks.

For the year ended 30 September 2017 (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Cash and cash equivalents

There are no significant concentrations of credit risk with respect to cash and cash equivalents as the Company holds cash accounts with large financial institutions with sound financial and capital cover. The financial institutions holding cash and cash equivalents have the following credit ratings according to the Global Credit Rating Company:

	2017 US\$	2016 US\$
Rating A+ A AA- BB+ BB- BBB-	77 269 1 515 520 1 644 260 - 36 407 535 245	50 380 192 408 951 118 37 920 - 44 200
	3 808 701	1 276 026
The balance of cash and cash equivalents comprises cash balances held by the entity amounting to US\$359 470 (2016: US\$197 572).		
Loans and receivables Treasury bills Other receivables	12 360 6 180	18 540 -
	18 540	18 540

These treasury bills were issued by the Government of Zimbabwe on account of the entity's foreign currency account balance transferred to the Reserve Bank of Zimbabwe as a way of settling indebtedness. These are considered to be low risk as these are government guaranteed.

(c) Liquidity risk

Bank overdra

Liquidity risk is the risk that the Company may fail to meet its payment obligations when they fall due, the consequences of which may be the failure to meet the obligations to creditors. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company identifies this risk through periodic liquidity gap analysis and the maturing profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps.

Cash flow forecasting is performed by management. Management monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 11) at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period.

2017 US\$	2016 US\$
2 000 000	5 750 000

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

For the year ended 30 September 2017 (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

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

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

Up to 1 month US\$	1 month to 6 months US\$	6 months to 1 year US\$	1 year to 5 years US\$	Total US\$
-	-	6 180	12 360	18 540
2 043 364 1 473 598	987 098 -	-	-	3 030 462 1 473 598
3 516 962	987 098	6 180	12 360	4 522 600
661 358	-	-	-	661 358
2 855 604	987 098	6 180	12 360	3 861 242
2 855 604	3 842 702	3 848 882	3 861 242	
6 180	-	6 180	6 180	18 540
1 226 737 4 168 171	52 595 -	530 216 -	-	1 809 548 4 168 171
5 401 088	52 595	536 396	6 180	5 996 259
1 307 936	-	-	-	1 307 936
4 093 152	52 595	536 396	6 180	4 688 323
4 093 152	4 145 747	4 682 143	4 688 323	_
	1 month US\$ 2 043 364 1 473 598 3 516 962 661 358 2 855 604 2 855 604 6 180 1 226 737 4 168 171 5 401 088 1 307 936 4 093 152	1 month US\$	1 month US\$ 6 months US\$ 1 year US\$ - - 6 180 2 043 364 1473 598 - - - 3 516 962 987 098 6 180 661 358 - - - 2 855 604 987 098 6 180 2 855 604 3 842 702 3 848 882 6 180 - 6 180 1 226 737 52 595 530 216 4 168 171 - - 5 401 088 52 595 536 396 1 307 936 - - 4 093 152 52 595 536 396	1 month US\$ 6 months US\$ 1 year US\$ 5 years US\$ - - 6 180 12 360 2 043 364 1473 598 - - - - - - - 3 516 962 987 098 6 180 12 360 661 358 - - - 2 855 604 987 098 6 180 12 360 2 855 604 3 842 702 3 848 882 3 861 242 6 180 - 6 180 6 180 1 226 737 4 168 171 - - - 5 401 088 52 595 536 396 6 180 1 307 936 - - - 4 093 152 52 595 536 396 6 180

The liquidity risk on foreign creditors and lenders has increased due to delay of foreign payments. This is being managed through continuous engagement with banks and suppliers. Refer to note 11 for additional disclosures under cash and cash equivalents.

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

For the year ended 30 September 2017 (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management

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

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

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

The gearing ratio at 30 September was as follows:

	US\$	US\$
Total borrowings Less: cash and cash equivalents	- (4 168 171)	- (1 473 598)
Net debt/(cash and cash equivalents) Total equity	(4 168 171) 15 458 801	(1 473 598) 14 709 165
Total capital	11 290 630	13 235 567
Gearing ratio	-	

3.3 Fair value estimation

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

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

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

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

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

The Company had no financial assets or financial liabilities carried at fair value at 30 September 2017 (2016: US\$nil).

2017

2016

For the year ended 30 September 2017 (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation (continued)

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table summarises the fair value of assets and liabilities not measured at fair value on the entity's statement of financial position.

	2017 US\$ Carrying value	2017 US\$ Fair value	2016 US\$ Carrying value	2016 US\$ Fair value
Financial assets Loans and receivables Trade and other receivables	18 540	18 540	18 540	18 540
(excluding prepayments and statutory receivables) Cash and cash equivalents	1 809 548 4 168 171	1 809 548 4 168 171	3 030 462 1 473 598	3 030 462 1 473 598
	5 996 259	5 996 259	4 522 600	4 522 600
The carrying amounts of loans and receivables closely approximate their fair values. The carrying amount of trade and other receivables closely approximates their fair value as the instruments are short term in nature and the impact of discounting is not significant.				
Financial liabilities Trade and other payables (excluding statutory liabilities)	1 307 936	1 307 936	661 358	661 358

The carrying amounts of financial liabilities carried at amortised cost closely approximate their fair values. The impact of discounting is not significant because the instruments are short term in nature.

3.4	Financial instruments by category	2017 US\$	2016 US\$
	Assets as per statement of financial position: Loans and receivables:		
	Loans and receivables	18 540	18 540
	Trade and other receivables (excluding prepayments and statutory receivables)	1 809 548	3 030 462
	Cash and cash equivalents	4 168 171	1 473 598
		5 996 259	4 522 600
	Liabilities as per statement of financial position: Financial liabilities at amortised cost:		
	Trade and other payables (excluding statutory liabilities)	1 307 936	661 358
		1 307 936	661 358



For the year ended 30 September 2017 (continued)

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

(a) Carrying amount of plant and equipment

The Company carried out an impairment assessment of plant and equipment as at 30 September 2017. The cash generating unit ("CGU") specifically tested for impairment was plant and equipment, which is the smallest group of assets that generate cash inflow independently of other assets held by the Company. There has been no impairment loss recognised for the year ended 30 September 2017 (2016: US\$10 513).

Indicators of impairment

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

- The Company has been operating at a level of output which is below the current capacity levels for the year ended 30 September 2017.
- Repairs and maintenance costs have continued to be significant and constitute more than 50% of the carrying amount of plant and equipment.
- Prevailing foreign currency shortages adversely impact the Company's ability to import the required quantities of raw material which may impact on production.

Impairment review

The recoverable amount of the CGU was determined based on value in use of the plant and equipment. The calculation was based on approved budgetary forecasts, internal forecasts of operating costs, capital expenditure production volumes, costs of production, future cash flows for the next three years, inflation and long term real discount rates. The estimated future cash flows were based on the approved 2018 budget inflated by constant gross profit margins and revenue growth rates, which is based on the Zimbabwe National Budget. Long-term growth rates are based on the Business Monitor International ("BMI") reports, which are specific to Zimbabwe. Also taken into account are the expectations about possible variations in the amount or timing of future cash flows and the time value of money. To address the time value of money, management determined the appropriateness of the discount rate applied.

The discount rate applied is the country risk, which has been adjusted for foreign risk and specific risks relating to the Company.

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

The key financial assumptions used in the impairment calculations are:

- Long-term real revenue per tonne of cable sold of US\$9 407 (2016: US\$9 449)
- Long-term real discount rate of 22.1% (2016: 22.8%)
- Inflation rate of 2.4% (2016: 2.4%) per annum applied on costs after 30 September 2020

Sensitivity analysis.

- A change in the discount rate by an additional 5% would not result in impairment
- A change of 5% in the long-term real revenue per ton cable sold would not result in impairment

(b) Useful lives and residual values of property, plant and equipment

The Company's management determines the estimated useful lives, residual values 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\$35 876 (2016: US\$31 927) lower or higher were the useful lives to differ from management's estimate by 10%.

(c) 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 Company 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 current and deferred income tax assets and liabilities in the period in which such determination is made.



For the year ended 30 September 2017 (continued)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (continued)

(d) Goina concern

The Company's ability to continue operating as a going concern may be negatively impacted by the following:

- The general macroeconomic environment characterised by adverse liquidity and the acute shortage of foreign currency in circulation may affect the Company's operations as it imports its raw materials.
- The commodity exchange agreement with the Zimbabwe Electricity Transmission and Distribution Company ("ZETDC") has been forecast to remain viable but copper reserves are anticipated to be near depletion. This agreement has in the past constituted significantly towards revenue.

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in existence for the foreseeable future. Management has assessed that the Company will continue operating as a going concern, citing the following:

- Revenue increased during the year from US\$18 148 818 in 2016 to US\$19 310 457 in 2017. This was attributable to the increased sales volumes due to improved local sales, a direct result of import restrictions and shortages of foreign currency.
- The profitability of the Company improved year on year, with the Company reporting a profit before income tax of US\$1 226 227 for the year ended 30 September 2017, compared to a profit before income tax of US\$678 028 for the same period last year.
- Cash flows generated from operations have also improved and have increased from US\$2 638 896 for the year ended
- 30 September 2016 to US\$3 382 665 in the current year.

 The entity will benefit from Statutory Instrument ("SI") 122 of 2017, for the control of goods (open general import license) issued in September 2017 which restricts the importation of copper cable into Zimbabwe.
- An increased focus on alternative innovative processing methods such as electrolysis for the purification of locally sourced copper which will see a cheaper local alternative source of raw material.
- Continued cost containment and reduction measures, capital expenditure rationalisation and optimising efficiencies on existing capital.
- Access to an approved, un-drawn overdraft facility of US\$2 000 000.

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

5. SEGMENTAL INFORMATION

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

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

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

	2017 US\$	2016 US\$
Revenue from customers domiciled in Zimbabwe Revenue from external customers	18 256 550 1 053 907	16 257 021 1 891 797
Revenue from transactions with single local customers that amounted to 10% or more of	19 310 457	18 148 818
the Company's revenue, amount to approximately US\$5 879 764 (2016: US\$6 007 571). These revenues are attributable to customers domiciled in Zimbabwe. The breakdown of the revenue from two major individual local customers with revenue of at least 10% each is as follows:		
Energy transmission	5 879 764	6 007 571

Entity-wide information

The total carrying amount of non-current assets located in Zimbabwe is US\$3 282 497 (2016: US\$3 264 805), and there are no non-current assets located in other countries.

Notes to the financial statements For the year ended 30 September 2017 (continued)

5. SEGMENTAL INFORMATION (continued)

As there is only discrete financial information available for the entire Company, the segment information provided to the executive team for the product reportable segments for the year ended 30 September is as follows:

	2017 Cables US\$	2017 Total US\$	2016 2016 Cables Total US\$ US\$
Revenue from customers	19 310 457	19 310 457	18 148 818 18 148 818
Depreciation	358 763	358 763	319 270 319 270
Share based payment charge/(credit)	18 223	18 223	(28 433) (28 433)
Operating profit	1 223 077	1 223 077	757 196 757 196
Finance income	3 150	3 150	
Finance costs	-	-	79 168 79 168
Income tax expense	500 014	500 014	259 424 259 424
Total assets	18 115 541	18 115 541	16 456 234 16 456 234
Total liabilities	2 656 740	2 656 740	1 747 069 1 747 069

6. PROPERTY, PLANT AND EQUIPMENT

	Land US\$	Buildings US\$	Plant and equipment US\$	Motor vehicles US\$	Office equipment US\$	Total US\$
Year ended 30 September 2016						
Opening net book amount Additions Disposals Impairment loss Depreciation charge	105 143 - - - -	680 790 - - - (20 307)	2 231 691 73 249 - (10 513) (170 490)	365 583 100 435 (14 467) - (107 781)	33 624 - - - (20 692)	3 416 831 173 684 (14 467) (10 513) (319 270)
Closing net book amount	105 143	660 483	2 123 937	343 770	12 932	3 246 265
At 30 September 2016	105 143	809 856	3 032 926	949 692	54 925	4 952 542
Cost Accumulated depreciation and impairment		(149 373)	(908 989)	(605 922)	(41 993) ((1 706 277)
Net book amount	105 143	660 483	2 123 937	343 770	12 932	3 246 265
Year ended 30 September 2017						
Opening net book amount Additions Depreciation charge	105 143 - -	660 483 - (20 307)	2 123 937 39 228 (171 456)	343 770 337 227 (162 675)	12 932 - (4 325)	3 246 265 376 455 (358 763)
Closing net book amount	105 143	640 176	1 991 709	518 322	8 607	3 263 957
At 30 September 2017						
Cost Accumulated depreciation and impairment	105 143 -	809 856 (169 680)	3 072 154 (1 080 445)	955 895 (437 573)	54 925 (46 318)	4 997 973 (1 734 016)
Net book amount	105 143	640 176	1 991 709	518 322	8 607	3 263 957

Depreciation expense of US\$173 092 (2016: US\$133 550) has been charged in 'administrative expenses' and US\$185 671 (2016: US\$185 720) has been charged in cost of sales.

The allocation of the cost for the plant and equipment and motor vehicle categories as at 30 September 2016 has been restated to correct a classification error in prior year of US\$12 174. However, there was no adjustment to the total net book amount previously reported of US\$3 246 265, as it remains appropriate.

Notes to the financial statements For the year ended 30 September 2017 (continued)

7. LOANS AND RECEIVABLES Treasury bills Other receivables The maturity analysis of treasury bills is as follows: 10 April 2017 10 April 2018 10 April 2019 10 April 2019 11 April 2019 12 360 18 54	For	the year ended 30 September 2017 (continued)		
Other receivables The maturity analysis of treasury bills is as follows: 10 April 2017 10 April 2018 10 April 2018 10 April 2018 These treasury bills were issued by the Government of Zimbabwe on account of the entity's foreign currency account balance transferred to the Reserve Bank of Zimbabwe as a way of settling indebtedness. Other receivables relate to proceeds to be received on matured treasury bills. Loans and receivables are denominated in US\$ and earn interest of 2% per annum. The maximum exposure to credit risk at the reporting date is the carrying value of the securities classified as loans and receivables. US\$6 180 (2016: US\$nit) of the loans and receivables were past due but not impaired. The Company does not hold any collateral as security. The carrying amount of loans and receivables is considered to be the same as their fair value as the impact of discounting is insignificant. 8. INVENTORIES Raw materials and consumables Work in progress Finished goods Goods in transit Provision for slow moving and obsolete inventories (23 818) (92 955) The analysis for the provision for slow moving and obsolete inventories is as follows: At 1 October Provision reversed/recognised during the year The cost of inventories recognised as expense and included in 'cost of sales' amounted to US\$12 009 550 (2016: US\$11 209 413). There were no inventories written down to net realisable value during the year (2016: US\$nit). The rewere no inventories pledged as security during the year (2016: US\$nit). At 1 October Tax paid during the year The cost of inventories evitten down to net realisable value during the year (2016: US\$nit). Provision for the year (2016: US\$nit) and 202 50 50 (2016: US\$nit).	7.	LOANS AND RECEIVABLES		
The maturity analysis of treasury bills is as follows: 10 April. 2017 10 April. 2018 10 April. 2019 10 April. 2019 11 April. 2018 12 360 18 54				18 540 -
10 April 2017 10 April 2018 10 April 2019 10 April 2019 11 April 2019 12 360 18 540 11 April 2019 12 360 18 540 11 April 2019 12 360 18 540 11 Ense treasury bills were issued by the Government of Zimbabwe on account of the entity's foreign currency account balance transferred to the Reserve Bank of Zimbabwe as a way of settling indebtedness. Other receivables relate to proceeds to be received on matured treasury bills. Loans and receivables are denominated in US\$ and earn interest of 2% per annum. The maximum exposure to credit risk at the reporting date is the carrying value of the securities classified as loans and receivables. US\$6 180 (2016: US\$nil) of the loans and receivables were past due but not impaired. The Company does not hold any collateral as security. The carrying amount of loans and receivables is considered to be the same as their fair value as the impact of discounting is insignificant. 8. INVENTORIES Raw materials and consumables Work in progress Raw materials and consumables Work in progress Finished goods Goods in transit 2 8 280 249 8 400 367 Provision for stow moving and obsolete inventories (23 818) (92 955) 8 256 431 8 307 412 The analysis for the provision for slow moving and obsolete inventories is as follows: At 1 October Provision reversed/recognised during the year At 30 September The cost of inventories recognised as expense and included in 'cost of sales' amounted to US\$12 009 550 (2016: US\$11 209 413). There were no inventories written down to net realisable value during the year (2016: US\$nil). 9. CURRENT INCOME TAX RECEIVABLES At 1 October Tax paid during the year Tax charge for the year (note 22) (201 895)			18 540	18 540
These treasury bills were issued by the Government of Zimbabwe on account of the entity's foreign currency account balance transferred to the Reserve Bank of Zimbabwe as a way of settling indebtedness. Other receivables relate to proceeds to be received on matured treasury bills. Loans and receivables are denominated in US\$ and earn interest of 2% per annum. The maximum exposure to credit risk at the reporting date is the carrying value of the securities classified as loans and receivables. US\$6 180 (2016: US\$nit) of the loans and receivables were past due but not impaired. The Company does not hold any collateral as security. The carrying amount of loans and receivables is considered to be the same as their fair value as the impact of discounting is insignificant. 8. INVENTORIES Raw materials and consumables Work in progress 688 753 601 679 Finished goods Goods in transit 7.8 280 249 8 400 367 Fovision for slow moving and obsolete inventories (23 818) (92 955) 8 256 431 8 307 412 The analysis for the provision for slow moving and obsolete inventories is as follows: At 1 October Provision reversed/recognised during the year At 30 September The cost of inventories recognised as expense and included in 'cost of sales' amounted to US\$12 009 550 (2016: US\$11 209 413). There were no inventories written down to net realisable value during the year (2016: US\$11 209 550 (2016: US\$11 209 413). There were no inventories pledged as security during the year (2016: US\$nit). 9. CURRENT INCOME TAX RECEIVABLES At 1 October Tax paid during the year Tax paid during the year (2016: US\$nit).		10 April 2017 10 April 2018		6 180
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The Company does not hold any collateral as security. The carrying amount of loans and receivables is considered to be the same as their fair value as the impact of discounting is insignificant. 8. INVENTORIES Raw materials and consumables Work in progress 688 753 601 679 Finished goods Goods in transit 8. 280 249 8 400 367 Provision for slow moving and obsolete inventories Provision for slow moving and obsolete inventories (23 818) (92 955) 8 256 431 8 307 412 The analysis for the provision for slow moving and obsolete inventories is as follows: At 1 October Provision reversed/recognised during the year At 30 September At 30 September The cost of inventories recognised as expense and included in 'cost of sales' amounted to U\$\$12 009 550 (2016: U\$\$11 209 413). There were no inventories written down to net realisable value during the year (2016: U\$\$nil). There were no inventories written down to net realisable value during the year (2016: U\$\$\$nil). There were no inventories as security during the year (2016: U\$\$nil). 9. CURRENT INCOME TAX RECEIVABLES At 1 October Tax paid during the year (38 4 085 328 410 312 205 328 410 312 205 328 410 312 205				
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Provision for slow moving and obsolete inventories (23 818) (92 955) 8 256 431 8 307 412 The analysis for the provision for slow moving and obsolete inventories is as follows: At 1 October Provision reversed/recognised during the year At 30 September The cost of inventories recognised as expense and included in 'cost of sales' amounted to US\$12 009 550 (2016: US\$11 209 413). There were no inventories written down to net realisable value during the year (2016: US\$nit). 9. CURRENT INCOME TAX RECEIVABLES At 1 October Tax paid during the year Tax paid during the year (note 22) At 23 818 92 955 84 8637 (69 137) 44 318 92 955 48 637 (69 137) 44 318 92 955 48 637 (69 137) 44 318 92 955 48 637 (69 137) 44 318 92 955 48 637 (69 137) 44 318 92 955 48 637 (69 137) 44 318 92 955 48 637 (69 137) 44 318 92 955 48 637 (69 137) 44 318 92 955 48 637 (69 137) 44 318 92 955 73 818 92 955 73 818 92 955 73 818 92 955 73 818 92 955 73 818 92 955 74 31 0 312 205 74 328 410 312 205 75 75 75 75 75 75 75 75 75 75 75 75 75 7		Work in progress Finished goods	688 753	601 679 3 956 426
The analysis for the provision for slow moving and obsolete inventories is as follows: At 1 October Provision reversed/recognised during the year At 30 September The cost of inventories recognised as expense and included in 'cost of sales' amounted to US\$12 009 550 (2016: US\$11 209 413). There were no inventories written down to net realisable value during the year (2016: US\$nil). There were no inventories pledged as security during the year (2016: US\$nil). 9. CURRENT INCOME TAX RECEIVABLES At 1 October Tax paid during the year Tax paid during the year Tax charge for the year (note 22) 8 2955 48 637 (69 137) 44 318 92 955 48 637 (69 137) 68 637 (69 137) 68 637 (69 137) 68 637 (69 137) 68 637 (69 137) 68 637 (69 137) 68 637 (69 137) 68 637 (69 137) 68 637 (69 137) 68 637 (69 13			8 280 249	8 400 367
The analysis for the provision for slow moving and obsolete inventories is as follows: At 1 October Provision reversed/recognised during the year (69 137) 44 318 At 30 September 23 818 92 955 The cost of inventories recognised as expense and included in 'cost of sales' amounted to US\$12 009 550 (2016: US\$11 209 413). There were no inventories written down to net realisable value during the year (2016: US\$nil). There were no inventories pledged as security during the year (2016: US\$nil). 9. CURRENT INCOME TAX RECEIVABLES At 1 October 84 085 (26 225) 328 410 312 205 Tax paid during the year (note 22) (393 545) (201 895)		Provision for slow moving and obsolete inventories	(23 818)	(92 955)
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The cost of inventories recognised as expense and included in 'cost of sales' amounted to US\$12 009 550 (2016: US\$11 209 413). There were no inventories written down to net realisable value during the year (2016: US\$nil). There were no inventories pledged as security during the year (2016: US\$nil). 9. CURRENT INCOME TAX RECEIVABLES At 1 October Tax paid during the year Tax paid during the year Tax charge for the year (note 22) At 10 312 205 Tax charge for the year (note 22)				
amounted to US\$12 009 550 (2016: US\$11 209 413). There were no inventories written down to net realisable value during the year (2016: US\$nil). There were no inventories pledged as security during the year (2016: US\$nil). 9. CURRENT INCOME TAX RECEIVABLES At 1 October Tax paid during the year Tax paid during the year Tax charge for the year (note 22) 84 085 (26 225) 328 410 312 205 (393 545) (201 895)		At 30 September	23 818	92 955
the year (2016: US\$nil). There were no inventories pledged as security during the year (2016: US\$nil). 9. CURRENT INCOME TAX RECEIVABLES At 1 October Tax paid during the year Tax charge for the year (note 22) Tax charge for the year (note 22) Tax charge for the year (note 22)				
9. CURRENT INCOME TAX RECEIVABLES At 1 October 84 085 (26 225) Tax paid during the year 328 410 312 205 Tax charge for the year (note 22) (393 545) (201 895)				
At 1 October 84 085 (26 225) Tax paid during the year 328 410 312 205 Tax charge for the year (note 22) (393 545) (201 895)		There were no inventories pledged as security during the year (2016: US\$nil).		
Tax paid during the year 328 410 312 205 Tax charge for the year (note 22) (393 545) (201 895)	9.	CURRENT INCOME TAX RECEIVABLES		
At 30 September 18 950 84 085		Tax paid during the year	328 410	312 205
		At 30 September	18 950	84 085

For the year ended 30 September 2017 (continued)

	To the year ended to depterment 2017 (contained)						
10.	TRADE AND OTHER RECEIVABLES	2017 US\$	2016 US\$				
	Trade receivables - third parties Trade receivables - related parties (note 25) Less: allowance for impairment of trade receivables	1 722 804 106 644 (28 278)	3 046 587 - (19 469)				
	Trade receivables - net Prepayments Value added tax ("VAT") refundable	1 801 170 579 944	3 027 118 117 777 178 095				
	Other receivables	8 378	3 344				
		2 389 492	3 326 334				
	At 30 September 2017, trade receivables of US\$1 269 266 (2016: US\$3 032 696) were fully performing.						
	At 30 September 2017, trade receivables of US\$nil (2016: US\$5 379) were past due but not impaired. At 30 September 2017, the ageing analysis of past due but not impaired trade receivables is as follows:						
	1 month to 3 months	-	5 379				
	At 30 September 2017, trade receivables of US\$560 182 (2016: US\$8 512) were past due and impaired. Individually impaired trade receivables relate to customers that are experiencing economic difficulties. The Company expects that a portion of the receivables will be recovered and has recognised impairment losses of US\$28 278 (2016: US\$19 469). The ageing analysis of past due and impaired trade receivables is as follows:						
	6 months to 1 year Over 1 year	10 182 550 000	8 512 -				
		560 182	8 512				
	The movements in the allowance for impairment of trade receivables that are assessed for impairment are as follows:						
	At 1 October Reversal of previous allowance for impairment Allowance for impairment recognised during the year	19 469 (19 469) 28 278	59 240 (59 240) 19 469				
	At 30 September	28 278	19 469				
	Amounts recognised in profit or loss During the year, the following gains/(losses) were recognised in the income statement in relation to impaired receivables:						
	Allowance for impairment losses - individually impaired receivables - movement in allowance for impairment Reversal of previous allowance for impairment	(10 182) (18 096) 19 469	(8 512) (10 957) 59 240				
		(8 809)	39 771				

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

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

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

For the year ended 30 September 2017 (continued)

11. CASH AND CASH EQUIVALENTS	2017 US\$	2016 US\$
Cash at bank Cash in hand	3 808 701 359 470	1 276 026 197 572
Cash and cash equivalents	4 168 171	1 473 598
The Company has an overdraft facility limit of US\$2 000 000, which bears interest at 10% per annum. The facility is unsecured and expires within a year.		
The Company had the following undrawn facilities at 30 September: Bank overdraft	2 000 000	5 750 000

Included in cash and cash equivalents are balances with banks. These balances are used for transacting on a daily basis. The Reserve Bank of Zimbabwe ("RBZ") through Exchange Control Operational Guide 8 ("ECOGAD8") introduced a foreign payments priority list that has to be followed when making foreign payments. Any foreign payments made from the bank balances above are ranked based on the RBZ prioritisation criteria and paid subject to banks having adequate funds with its foreign correspondent banks.

Cash and cash equivalents include bond notes. Bond notes are a debt instrument which has been disclosed under cash and cash equivalents since it meets the definition of cash and cash equivalents and is pegged at an exchange rate of 1:1 with the United States Dollar.

12.	SHARE CAPITAL AND RESERVES	2017 US\$	2016 US\$
12.1	Authorised 50 000 000 ordinary shares of US\$0.00001 each.	500	500
	100 000 5.5% cumulative preference shares of US\$0.00001 each	1	1

12.2			Ordinary shares US\$	Share premium US\$	Total US\$
	At 1 October 2015 Employee share option scheme:	32 770 666	328	138 081	138 409
	Shares issued	60 000	=	7 200	7 200
	Share options		-	24 000	24 000
	At 30 September 2016	32 830 666	328	169 281	169 609
	At 1 October 2016				
	Employee share option scheme:	32 830 666	328	169 281	169 609
	Shares issued	43 334	_	5 200	5 200
	Share options		-	3 467	3 467
	At 30 September 2017	32 874 000	328	177 948	178 276

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.

For the year ended 30 September 2017 (continued)

12.3 Share option reserve

Share options are granted to directors and selected employees. The directors were empowered to allot 3 232 700 unissued ordinary shares to senior personnel for the purpose of fulfilling the requirements of the employee share option scheme. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. Under the scheme, share options granted in 2010 are exercisable between 31 December 2013 and 31 December 2020 at a price of US\$0.12 per share and share options granted in 2014 are exercisable between 31 December 2015 and 31 December 2020 at a price of US\$0.25 per share. The Company 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:

	2017 Number of share options issued	2017 Exercise price per share US\$	2016 Number of share options issued	2016 Exercise price per share US\$
Options authorised	3 232 700		3 232 700	
Outstanding at the beginning of the year Outstanding at the beginning of the year Granted Exercised	88 334 540 000 - (43 334)	0.12 0.25 - 0.12	148 334 540 000 - (60 000)	0.12 0.25 - 0.12
Total outstanding at the end of the year	585 000		628 334	

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

Grant date	Exercisable date	Expiry date	Exercise price per share US\$	2017 Number of share options	2016 Number of share options
16 September 2010 22 September 2014 22 September 2014 22 September 2014	1 October 2015 1 October 2017 1 October 2018 1 October 2019	31 December 2020 31 December 2020 31 December 2020 31 December 2020	0.12 0.25 0.25 0.25	45 000 180 000 180 000 180 000	88 334 180 000 180 000 180 000
				585 000	628 334

Of the 585 000 (2016: 628 334) outstanding share options, 45 000 (2016: 88 334) are currently exercisable. The share-based transactions are valued using the intrinsic value method because the fair value of the instruments cannot be estimated reliably as there are no similar traded options. 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.	2017 US\$	2016 US\$
The movement on the share option reserve is as follows:		
At 1 October Charge/(credit) to the income statement	5 300 14 756	57 733 (52 433)
At 30 September	20 056	5 300

Notes to the financial statements For the year ended 30 September 2017 (continued)

13. DEFERRED INCOME TAXES			2017 US\$	2016 US\$
The analysis of deferred income tax assets a is as follows:	and deferred income tax l	iabilities		
Deferred income tax assets: Deferred income tax assets to be recovered Deferred income tax assets to be recovered		:hs	(7 282) (95 936)	(5 013) (31 130)
			(103 218)	(36 143)
Deferred income tax liabilities: Deferred income tax liabilities to be recovered beferred income tax liabilities to be recovered.	742 762 149 336	688 226 30 328		
			892 098	718 554
Deferred income tax liabilities (net)			788 880	682 411
The gross movement on the deferred incom	e tax account is as follow	/S:		
At 1 October Income statement charge (note 22)			682 411 106 469	624 882 57 529
At 30 September			788 880	682 411
	Revenue received in advance US\$	Allowance for impairment US\$	Other US\$	Total US\$
Deferred income tax assets				
At 1 October 2015 (Credit)/charge to the income statement	(25 282) (5 046)	(15 254) 10 241	(11 117) 10 315	(51 653) 15 510
At 30 September 2016	(30 328)	(5 013)	(802)	(36 143)
At 1 October 2016 (Credit)/charge to the income statement	(30 328) (65 608)	(5 013) (2 269)	(802) 802	(36 143) (67 075)
At 30 September 2017	(95 936)	(7 282)	_	(103 218)
		Accelerated depreciation US\$	Prepayments US\$	Total US\$
Deferred income tax liabilities				
At 1 October 2015 Charge to the income statement	_	676 535 11 691	30 328	676 535 42 019
At 30 September 2016		688 226	30 328	718 554
At 1 October 2016 Charge to the income statement	=	688 226 39 027	30 328 134 517	718 554 173 544
At 30 September 2017	_	727 253	164 845	892 098

For the year ended 30 September 2017 (continued)

14. TRADE AND OTHER PAYABLES

Trade payables Amounts due to related parties (note 25) Social security expenses and other taxes Value added tax ("VAT") Accrued expenses

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

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

US\$	US\$
1 152 751	521 756
51 162	-
68 246	74 296
119 950	-
104 023	139 602
1 496 132	735 654

2017

2016

15. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

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

	Leave pay provision US\$	Bonus provision US\$	Total US\$
At 30 September 2015 Utilised in the current year Charged to the income statement	104 827	221 537	326 364
	(104 827)	(258 779)	(363 606)
	92 588	273 658	366 246
At 30 September 2016 Utilised in the current year Charged to the income statement	92 588	236 416	329 004
	(92 588)	(236 416)	(329 004)
	95 902	275 826	371 728
At 30 September 2017	95 902	275 826	371 728

16. REVENUE

Sale of goods - retail Sale of goods - wholesale

2017	2016
US\$	US\$
14 012 590	13 502 831
5 297 867	4 645 987
19 310 457	18 148 818



Notes to the financial statements For the year ended 30 September 2017 (continued)

Audit fees - Current year - Prior year - Pri	7.	EXPENSES BY NATURE	2017 US\$	2016 US\$
Employee benefit expense (note 17.1) Audit fees - Current year		Raw materials and consumables used	12 009 550	11 209 413
Audit fees - Current year - Prior year - Pri				2 811 849
- Prior year				
Directors' emoluments		- Current year	25 000	24 169
- Fees Postage and telephone Canteen 15 413 60 215 Canteen 16 50 90 69 852 Trade promotion Advertising costs Advertising costs Plant repairs and maintenance Building repairs and maintenance 1071 169 1 1137 099 Building repairs and maintenance Wehicle repairs and maintenance 150 738 127 583 Electricity and water Security Depreciation (note 6) Quality and ISO certifications Security Security 130 084 127 698 Machine running expenses Insurance 70 881 65 308 Secretarial related costs Adaptore security Legal and professional fees Legal and professional fees Cleaning and laundry Adaptore expenses Secretarial related costs Frieylat Outwards Frievel Fravel Fravel Fravel Frievel Allowance/(reversal of allowance) for impairment of trade receivables (note 10) Responses Friedit outwards For impairment of plant and equipment (note 6) Profective clothing Protective clothing Protective clothing Protective clothing Total cost of sales, distribution costs and administrative expenses have been disclosed as follows: Cost of sales Distribution costs Tase Cost of sales Distribution costs Tase Administrative expenses		- Prior year	39 858	43 631
Postage and telephone		Directors' emoluments		
Canteen 65 090 69 852 Trade promotion 8 909 10 070 Advertising costs 4 900 60 Plant repairs and maintenance 1 071 169 1 137 099 Building repairs and maintenance 45 398 41 901 Vehicle repairs and maintenance 150 738 127 583 Electricity and water 544 275 574 070 Depreciation (note 6) 358 763 319 270 Quality and ISO certifications 94 440 84 949 Security 130 084 127 696 Machine running expenses 128 117 159 198 Insurance 70 881 65 308 Secretarial related costs 40 906 35 054 Legal and professional fees 21 243 46 47 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 1123 Computer expenses 51 294 38 845 Travel 82 963 75 656 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impai		- Fees	80 016	90 270
Trade promotion 8 909 10 070 Advertising costs 4 900 60 Plant repairs and maintenance 1 1071 169 1 137 099 Building repairs and maintenance 15 398 41 901 Vehicle repairs and maintenance 150 738 127 583 Electricity and water 544 275 574 070 Depreciation (note 6) 358 763 319 270 Quality and ISO certifications 94 440 84 949 Security 130 084 127 696 Machine running expenses 228 417 159 198 Insurance 70 881 65 308 Secretarial related costs 40 906 35 054 Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 331 132 Computer expenses 51 294 36 327 Bank charges 59 424 38 845 Travel 82 963 75 665 Freight outwards 66 982 79 554 Forklifts hire		Postage and telephone	15 413	60 215
Advertising costs Plant repairs and maintenance Building repairs and maintenance Building repairs and maintenance Building repairs and maintenance Vehicle repairs and maintenance Lectricity and water St4275 574 070 Depreciation (note 6) SS8 763 319 277 Quality and ISO certifications Security Security Subscriptions Secretarial related costs Legal and professional fees Vehicle repairs and maintenance Secretarial related costs Legal and professional fees Vehicle repairs and maintenance Subscriptions Subs				69 852
Plant repairs and maintenance			8 909	10 070
Building repairs and maintenance				60
Vehicle repairs and maintenance 150 738 127 583 Electricity and water 544 275 574 070 Depreciation (note 6) 358 763 319 270 Quality and ISO certifications 94 440 84 949 Security 130 084 127 696 Machine running expenses 228 417 159 198 Insurance 70 881 65 308 Secretarial related costs 40 906 35 584 Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 113 Computer expenses 51 294 36 327 Bank charges 59 424 38 455 Travel 82 963 75 655 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771 Clinic expenses 6 372 21 999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877		·		
Electricity and water 544 275 574 070 Depreciation (note 6) 358 763 319 270 Quality and ISO certifications 94 440 84 949 Security 130 084 127 696 Machine running expenses 70 881 65 308 Insurance 70 881 65 308 Secretarial related costs 40 906 35 054 Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 1132 Computer expenses 51 294 36 327 Bank charges 51 294 38 245 Travel 82 963 75 656 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 39 771 Clinic expenses 6 372 21 999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877 Repairs and maintenance - Nyanga cottage 945 4 921				
Depreciation (note 6) 358 763 319 270 Quality and ISO certifications 94 440 84 949 Security 130 084 127 696 Machine running expenses 228 417 159 198 Insurance 70 881 65 308 Secretarial related costs 40 906 35 054 Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 113 Computer expenses 51 294 36 327 Bank charges 59 424 38 845 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771 Clinic expenses 57 763 44 226 Allowances 90 795 17 056 Protective clothing 20 795 17 056 Protective cl		•		
Quality and ISO certifications 94 440 84 949 Security 130 084 127 696 Machine running expenses 228 417 159 198 Insurance 70 881 65 308 Secretarial related costs 40 906 35 054 Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 113 Computer expenses 59 424 38 845 Travel 82 963 75 665 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771 Clinic expenses 6 372 21 999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877 Repairs and maintenance - Nyanga cottage 945 4 921 Packaging 24 459 11 540 Impairment of plant and equipment (note 6) - - 10 513 Other expenses 31 904 1 973				
Security 130 084 127 696 Machine running expenses 228 417 159 198 Insurance 70 881 65 308 Secretarial related costs 40 906 35 054 Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 113 Computer expenses 51 294 36 327 Bank charges 59 424 38 845 Travel 82 963 75 665 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771 Clinic expenses 6 372 21 999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877 Repairs and maintenance - Nyanga cottage 945 4 921 Packaging 24 459 11 540 Impairment of plant and equipment (note 6) - 10 513 Other expenses 31 904 1 973 The cost o				
Machine running expenses 228 417 159 198 Insurance 70 881 65 308 Secretarial related costs 40 906 35 054 Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 113 Computer expenses 51 294 36 327 Bank charges 59 424 38 845 Travel 82 963 75 665 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771 Clinic expenses 6 372 21 999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877 Repairs and maintenance - Nyanga cottage 945 4 921 Packaging 24 459 11 540 Impairment of plant and equipment (note 6) - 10 513 Other expenses 18 236 628 17 443 103 The cost of sales, distribution costs and administrative expenses have been disclosed as f				
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Secretarial related costs 40 906 35 054 Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 1123 Computer expenses 51 294 36 327 Bank charges 59 424 38 845 Travel 82 963 75 656 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771 Clinic expenses 6 372 21 1999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877 Repairs and maintenance - Nyanga cottage 945 4 921 Packaging 24 459 11 540 Impairment of plant and equipment (note 6) - 10 513 Other expenses 18 236 628 17 443 103 The cost of sales, distribution costs and administrative expenses have been disclosed as follows: 14 714 416 14 039 000 Cost of sales 71 882 90 183 3 450 330 <td< td=""><td></td><td>- '</td><td></td><td></td></td<>		- '		
Legal and professional fees 21 243 46 474 Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 113 Computer expenses 51 294 36 327 Bank charges 59 424 38 845 Travel 82 963 75 665 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771 Clinic expenses 6 372 21 999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877 Repairs and maintenance - Nyanga cottage 945 4 921 Packaging 24 459 11 540 Impairment of plant and equipment (note 6) - - 10 513 Other expenses 31 904 1 973 Total cost of sales, distribution costs and administrative expenses have been disclosed as follows: 18 236 628 17 443 103 Cost of sales 71 882 90 183 3 450 330 3 313 920				
Cleaning and laundry 43 076 41 134 Subscriptions 31 123 33 113 Computer expenses 51 294 36 327 Bank charges 59 424 38 845 Travel 82 963 75 665 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771 Clinic expenses 6 372 21 1999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877 Repairs and maintenance - Nyanga cottage 945 4 921 Packaging 24 459 11 540 Impairment of plant and equipment (note 6) - - 10 513 Other expenses 31 904 1 973 Total cost of sales, distribution costs and administrative expenses have been disclosed as follows: 18 236 628 17 443 103 Cost of sales 14 714 416 14 039 000 Distribution costs 71 882 90 183 Administrative expenses 3 450 330 3 313 920				
Subscriptions 31 123 33 113 Computer expenses 51 294 36 327 Bank charges 59 424 38 845 Travel 82 963 75 665 Freight outwards 66 982 79 554 Forklifts hire 57 763 44 226 Allowance/(reversal of allowance) for impairment of trade receivables (note 10) 8 809 (39 771) Clinic expenses 6 372 21 999 Protective clothing 20 795 17 056 Printing and stationery 34 007 27 877 Repairs and maintenance - Nyanga cottage 945 4 921 Packaging 24 459 11 540 Impairment of plant and equipment (note 6) - 10 513 Other expenses 31 904 1 973 Total cost of sales, distribution costs and administrative expenses have been disclosed as follows: 18 236 628 17 443 103 Cost of sales 14 714 416 14 039 000 Distribution costs 71 882 90 183 Administrative expenses 3 450 330 3 313 920				
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Packaging			945	4 921
Impairment of plant and equipment (note 6) Other expenses Total cost of sales, distribution costs and administrative expenses 18 236 628 17 443 103 The cost of sales, distributions costs and administrative expenses have been disclosed as follows: Cost of sales Distribution costs Administrative expenses 14 714 416 71 882 90 183 Administrative expenses 3 450 330 3 313 920				11 540
Other expenses 31 904 1 973 Total cost of sales, distribution costs and administrative expenses 18 236 628 17 443 103 The cost of sales, distributions costs and administrative expenses have been disclosed as follows: Cost of sales Distribution costs Administrative expenses 14 714 416 14 039 000 Distribution costs 71 882 90 183 Administrative expenses 3 450 330 3 313 920			-	10 513
The cost of sales, distributions costs and administrative expenses have been disclosed as follows: Cost of sales Distribution costs Administrative expenses 14 714 416 14 039 000 71 882 90 183 3 450 330 3 313 920			31 904	1 973
as follows: Cost of sales Distribution costs Administrative expenses 14 714 416 14 039 000 71 882 90 183 3 450 330 3 313 920		Total cost of sales, distribution costs and administrative expenses	18 236 628	17 443 103
Distribution costs Administrative expenses 71 882 90 183 3 450 330 3 313 920		·		
Distribution costs Administrative expenses 71 882 90 183 3 450 330 3 313 920		Cost of sales	14 714 416	14 039 000
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10.000.000 17.110.100		, tallimodulate experioes		
18 236 628 17 443 103			18 236 628	17 443 103

The provision for slow moving and obsolete inventories has been reclassified to raw materials and consumables used. However, there was no adjustment to total cost of sales, distribution costs and administrative expenses previously reported of US\$ 17 443 103, as it remains appropriate.

Notes to the financial statements For the year ended 30 September 2017 (continued)

17.	EXPENSES BY NATURE (continued)	2017 US\$	2016 US\$
17.1	Employee benefit expense	334	004
	Salaries – executive management Salaries and wages – non executive employees Social security costs (note 24) Pension costs (note 24) Share options charge/(credit) (note12) Recognition expenses Attendance hamper	582 170 1 863 965 39 738 166 021 18 223 15 433 26 112 2 711 662	495 701 2 094 640 42 221 167 152 (28 433) 18 146 22 422 2 811 849
18.	OTHER INCOME		
	Scrap sales Export incentive Other	25 360 108 596 569 134 525	41 579 794 42 373

The Reserve Bank of Zimbabwe ("RBZ") introduced an export incentive scheme to promote the export of goods and services to enhance inflows of foreign currency. The Company was awarded a 5% export incentive amounting to US\$108 596 (2016: US\$nil) on the export proceeds received in Zimbabwe during the year.

19.	OTHER GAINS	2017 US\$	2016 US\$
	Profit on disposal of motor vehicles	14 723	9 108
20.	FINANCE INCOME		
	Interest income received	3 150	
21.	FINANCE COSTS		
	Interest paid on borrowings	-	79 168
22.	INCOME TAX EXPENSE		
	Current income tax on profits for the year (note 9) Deferred income tax expense (note 13)	393 545 106 469	201 895 57 529
		500 014	259 424
	The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the basic tax rate applicable to profits of 25.75% (2016: 25.75%) as follows:		
	Profit before income tax	1 226 227	678 028
	Notional taxation on profit for the year at a statutory rate of 25.75% Tax effects of:	315 754	174 592
	Income not subject to tax	(20 625)	(9 625)
	Expenses not deductible for tax purposes (note 22.1) Permanent differences	181 166 18 450	88 784 11 028
	Recoupment on motor vehicles	1 431	412
	Other	3 838	(5 767)
		500 014	259 424



Financial report 2017

Notes to the financial statements

For the year ended 30 September 2017 (continued)

22.	INCOME TAX EXPENSE (continued)	2017 US\$	2016 US\$
22.1	Expenses not deductible for tax purposes comprise the following:	US\$	03\$
	Leave pay provision Bonus provision Estimated costs on advance payments Other	24 695 71 025 83 993 1 453	33 189 30 180 - 25 415
23.	EARNINGS PER SHARE	181 166	88 784
23.1	Basic earnings per share		
	Profit attributable to the ordinary equity holders of the Company Weighted average number of ordinary shares in issue (note 12)	726 213 32 874 000	418 604 32 830 666
	Basic earnings per share attributable to the ordinary equity holders of the Company (US cents)	2.21	1.28
23.2	Diluted earnings per share		
	Profit attributable to the ordinary equity holders of the Company	726 213	418 604
	Weighted average number of ordinary shares in issue (note 12) Adjustment for:	32 874 000	32 830 666
	Share options outstanding at year end (note 12)	585 000	628 334
		33 459 000	33 459 000
	Diluted earnings per share attributable to the ordinary equity holders of the Company (US cents)	2.17	1.25
23.3	Headline earnings per share		
	Profit attributable to the equity holders of the Company Adjustments for:	726 213	418 604
	Impairment on property, plant and equipment Profit on disposal of property, plant and equipment Tax effects on adjustments	(14 723) 3 791	10 513 (9 108) (362)
	Headline earnings	715 281	419 647
	Weighted average number of shares in issue	32 874 000	32 830 666
	Headline earnings per share (US cents)	2.18	1.28
24	PENSION BENEFITS		

PENSION BENEFITS

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

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

Contributions recognised as an expense for the year are as follows:	2017 US\$	2016 US\$
Social security costs Pension costs	39 738 166 021	42 221 167 152
	205 759	209 373

For the year ended 30 September 2017 (continued)

25. RELATED PARTY TRANSACTIONS

Reunert Electrical Engineering (Proprietary) Limited owns 70% of the Company's ordinary shares and the remaining 30% are widely held. The following transactions were carried out with related parties:

	2017 US\$	2016 US\$
 i) Sale of goods Metal Fabricators of Zambia plc (Zamefa) CBI Electric African Cables - A Division of ATC (Proprietary) Limited 	411 365 729 207	- -
"N Powelson of words	1 140 572	_
 ii) Purchases of goods CBI Electric African Cables - A Division of ATC (Proprietary) Limited CBI Electric Telecom Cables (Proprietary) Limited Metal Fabricators of Zambia plc (Zamefa) 	729 207 17 336 1 393 489	170 537 14 386 -
iii) Year-end balances arising from transactions with related parties	2 140 032	184 923
Amounts due to related parties CBI Electric African Cables - A Division of ATC (Proprietary) Limited CBI - Electric Telecom Cables (Proprietary) Limited	33 826 17 336	- -
	51 162	_
The amounts due to related parties arise mainly from purchase transactions and are due two months after the date of purchase. The payables bear no interest and are unsecured.		
Amounts due from related parties Metal Fabricators of Zambia plc (Zamefa)	106 644	-
The amounts due from related parties arise mainly from sales transactions and are due one month after the date of purchase. The receivables bear no interest and are unsecured.		
 iv) Key management compensation Key management includes directors (executive and non-executive) and executive managers (members of the executive committee). 		
Salaries and other short - term benefits Share options charge/(credit) Directors' emoluments	582 170 18 223	495 701 (28 433)
- Fees	80 016	90 270
	680 409	557 538
Outstanding shows antique quanted to key management years FRF 000 (2016, 628,224)		

Outstanding share options granted to key management were 585 000 (2016: 628 334).

There were no loans made to directors or key management of the Company during the year (2016: US\$nil).

26. CAPITAL COMMITMENTS

The Company had no significant capital expenditure contracted for by the directors at the reporting date (2016: US\$nil).

27. CONTINGENCIES

The Company is handling legal proceedings against various debtors and former employees. While recognising the inherent difficulty of predicting the outcome of legal proceedings, the directors believe, based upon current knowledge and after consulting with legal counsel, that the legal preceedings currently pending against it should not have a material adverse effect on the financial position of the Company.

The Company did not have any significant contingent assets or liabilities at the reporting date (2016: US\$nil).

28. EVENTS AFTER REPORTING DATE

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

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Ratios and statistics

	2017	2016	2015	2014	2013
Number of shares (000) Attributable earnings per share (cents) Diluted earnings per share (cents) Price to earnings ratio Market price per share (cents)	32 874 2.21 2.17 13 29	32 831 1.28 1.25 14 18	32 771 5 5 8 40	32 667 6 6 5 30	32 609 4 4 8 35
Ratio and returns					
Profitability (%) Operating margin Return on equity	6 5	4 3	8 10	12 17	8 15
Solvency Financial gearing ratio (%) Interest cover (times)	- -	- -	5 -	- 52.00	16 13.09
Shareholders' funds to turnover (%)	80	81	49	52	43
Liquidity Current assets to interest-free liabilities and short term borrowing.	s 8	12	4	6	4
Other Number of employees Number of shareholders	181 605	183 546	202 512	169 619	159 616

Shareholders' information

Top 20 shareholders At 30 September 2017

	Shareholder	Number of shares	% of total
1	REUNERT ELECTRICAL ENGINEERING (PROPRIETARY) LIMITED		
	owns the shares formerly owned by AFRICAN CABLES LIMITED	23 078 244	70.20
2	MESSINA INVESTMENTS	3 636 033	11.06
3	STANBIC NOMINEES (PRIVATE) LIMITED	771 179	2.35
4	NATIONAL SOCIAL SECURITY (WCIF)	712 224	2.17
5	HONOUR MKUSHI FAMILY TRUST	550 421	1.67
6	DELTA ENFIELD CABLES	448 800	1.37
7	NATIONAL PENSION SCHEME	413 461	1.26
8	RADIA PRAKASH	389 479	1.18
9	DELWARE TRADING (PRIVATE) LIMITED	266 700	0.81
10	AVENELL INVESTMENTS (PRIVATE) LIMITED	141 207	0.43
11	STEPHENSON P.H	130 000	0.40
12	GEZMARK INVESTMENTS (PRIVATE) LIMITED	120 549	0.37
13	WILSON ESQ, KENT RAYMOND	120 000	0.37
14	CAROLINE KANGARA	93 988	0.29
15	FERBOS NOMINEES (PRIVATE) LIMITED	92 367	0.28
16	TFS NOMINEES (PRIVATE) LIMITED	88 547	0.27
17	ZWM NOMINEES (PRIVATE) LIMITED	77 028	0.23
18	ZWM NOMINEES - CORP CLIENTS	60 349	0.18
19	TIMB PENSION FUND - ZIMNAT	59 390	0.18
20	WILHEL HENRY ALFRED HANS - ALBERT KUHLMANN	50 000	0.15
		31 300 146	95.21
	OTHER	1 573 854	4.79
	TOTAL	32 874 000	100.00

Analysis of shareholding	Number of shareholders	%	Number of shares	%
1 - 500 501 - 1000 1001 - 5000 5001 - 10000 10001 - 50000 50001 - 100000 100001 - and above	191 114 198 37 42 8 15	23.44 21.25 36.26 6.59 8.24 1.47 2.75	37 825 79 062 439 718 248 481 875 158 621 508 30 572 248	0.12 0.24 1.34 0.76 2.66 1.89 93.00
Total	605	100	32 874 000	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.

Reunert Electrical Engineering (Proprietary) Limited and Messina Investments and the directors' interests in the ordinary shares of the Company disclosed on page 6 are categorised as non-public shareholders of the Company.

Shareholders' calendar 2017 - 2018

2017 Annual report distributed	Jan 2018	2018 results announced	Nov 2018
72nd Annual General Meeting	March 2018	2018 annual report	Jan 2019
2018 half-year results announced	May 2018	73 rd Annual General Meeting	Feb 2019

Notice to shareholders

Notice is hereby given that the 72nd 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 1 March 2018 for the following purposes:

- To receive and consider the director's report, audited financial statements and the report of the auditors for the year ended 30 September 2017.
- To appoint Messrs PricewaterhouseCoopers as auditors for the ensuing year.
- To approve the audit fees for the year.
 To approve the directors' fees for the year.
- To re-elect as directors Mr S.E Mangwengwende, Mr P. W. de Villers and Mr A. Mabena.

By order of the Board

C.Kangara Company Secretary 9 November 2017

Notes

- A member entitled to vote at the above meeting may appoint one or more proxies as alternate or alternatives to attend the meeting, to vote and speak in the member's stead. A proxy need not be a member.
- Proxy forms must be lodged with the company secretary at least 48 hours before the commencement of the meeting.
- For further information on voting procedures, see the notes on the proxy information sheet.

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.
- 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.
- Unless the member specifically directs the proxy how to vote, the proxy may either vote as he/she thinks fit, or abstain from voting.
- Where the member is a natural person, the proxy form must be signed either by the member personally or by a duly appointed attorney. 5.
- 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.
- Where a member is a body corporate, the proxy must be executed in accordance with the laws of the country of incorporation and in terms of the Memorandum and Articles of Association of the Company.
- 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



Throughout the year, we have been audited by South African Bureau of Standards (SABS) and Standards Association of Zimbabwe (SAZ) on our four management systems and we were able to maintain all our certifications.

1.0 Managing Director's overview

CAFCA takes cognisance of the fact that sustainability reporting is a vital step that all organisation's will sooner or later adopt to indicate their commitment to national and global sustainable development. Sustainability reporting has helped CAFCA to ensure that it creates a virtuous cycle in its business operations. The reporting requires transparency with regards to business operations of the firm and shows its commitment to delivering better business, social, environmental and economic value. CAFCA continues to demonstrate its commitment to the protection of the environment, enhancing of employee wellness and adoption of efficient energy resource use technologies.

Throughout the year, we have been audited by South African Bureau of Standards (SABS) and Standards Association of Zimbabwe (SAZ) on our four management systems and we were able to maintain all our certifications. Transition processes are currently underway for our Environmental management system (ISO 14001) from the 2004 version of the standard to the 2015 version and Quality management system (ISO 9001) from the 2008 version of the standard to the 2015 version. Just like for the previous years, we had zero fatalities in the reporting period in our operations and have complied with all the legal obligations affecting our processes. During the year the organisation was awarded the Mashonaland Chamber Industrial Energy Efficiency Award and the National Industrial Energy Efficiency Award by the Zimbabwe Electricity Transmission and Distribution Company (ZETDC). We also received recognition from the National Social Security Authority (NSSA) for good safety and health practices for obtaining a mark above 75% during assessments for the year 2016. The organisation's performance, operations and outlook position is covered in the Managing Director's report refer to page 10.

> G4-1 G4-28 to G4-29

R.N. Webster Managing Director



2.0 About this report

This is the third annual sustainability report for CAFCA Limited covering the financial year October 2016 - September 2017 (FY17). Data for the financial years FY15 and FY16 has been maintained for the purposes of trending and comparison except only for our emissions where data is dating back to FY11 because of availability of the information and the fact that carbon footprint has been part of the annual report since we started tracking our emissions in FY11.

The scope of this report is exclusive to the business operations of CAFCA Limited only and all the information in this report has been gathered from our internal records captured by the different business units in their day to day activities.

This report was prepared in compliance with the GRI G4 Guidelines for sustainability reporting, using the "In accordance-Core" option of the GRI G4 guidelines. Measurements and units presented in this report for all the reported material aspects are as per the recommended GRI units. We take cognisance of the fact that GRI G4 Guidelines have been replaced with GRI standards and will realign our reporting in accordance with the latter in FY18 report. The GRI standards will be effective for reports on or after 1 July 2018 and the G4 Guidelines will remain valid until then.

A copy of this report can be obtained on request from CAFCA through the management representative. Your feedback is welcome. Questions, comments, suggestions or feedback relating to this report or our sustainability performance may be sent by email to:-

marketing@cafca.co.zw. Contact person is Godfrey Mavera, Chief Engineer, CAFCA Ltd, P.O. Box 1651, Harare.

G4-30 to G4-32

2.2 Stakeholders and materiality

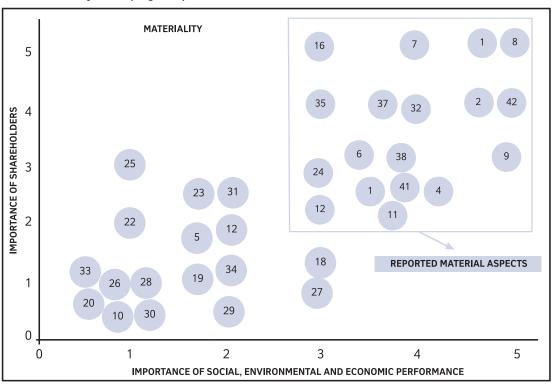
2.2.1 Reporting process and materiality

All the relevant aspects were reviewed in the period FY17 to verify their applicability to the operations of CAFCA Limited. The process of identifying these material aspects to CAFCA and its stakeholders began by gathering information from our internal processes through meetings, partnerships, collaborations, consultations, information and knowledge sharing and customer feedback. All the identified aspects were mapped to indicate their significance both to CAFCA operations and our stakeholders. The two materiality dimensions according to GRI G4 guidelines are those topics and indicators that reflect the organisation's economic, environmental and social impacts or that would substantively influence the assessments and decisions of stakeholders.

A matrix was developed showing importance of the issues to stakeholders and to our social, environmental and economic performance as a response to the feedback from the various stakeholders. The scoring criteria as applied previously was adopted and material aspects were plotted on a graph, separating those aspects that are material and those that are not material to CAFCA, see table below. A description of the aspects represented by a number is given in section 13.0- "Key for the relevant aspects index".

From the Materiality Matrix, the reported material aspects are those with high importance to economic, environmental and social impacts and high importance to stakeholders. These are listed below:

CAFCA Materiality Matrix (diagram 1)



Economic	Economic performance
Environment	Materials, Energy, Water, Emissions, Waste, Compliance, Environmental Grievence Mechanisms and overall (total environmental protection expenditure)
Social	Employment, Labour-Management Relations, Health and Safety, Training and Education

2.3 Boundary of material aspects

The table below indicates the mapping of our significant material aspects where some of the impacts are experienced at CAFCA but some occur outside CAFCA.

Our material aspects	Material within CAFCA	Material outside CAFCA
ECONOMIC		
Economic performance	\checkmark	✓
ENVIRONMENT		
Materials	√	
Energy	√	√
Water	√	√
Emissions	√	√
Waste	√	√
Compliance	√	√
Overall	√	
Environmental grievance mechanism	\checkmark	√
SOCIAL		
_ Employment		
Labour-management relations	√	√
Occupational health and safety	√	
Training and education	√	

G4-18 - G4-23

2.4 Assurance

We continue to rely on our internal procedures (that are documented in our Business Management System Manual for continuity and repeatability) to verify the accuracy of the information provided in this report.

G4-56

3.0 About CAFCA

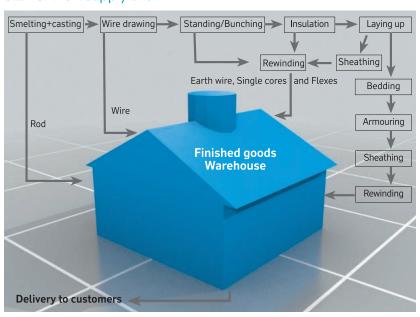
For information covering the company profile, our mission statement, corporate information and operating principles, refer to page 1 and 2 of this Integrated Annual report.

3.1 CAFCA overview

We refer you to "CAFCA Overview" section of the Integrated Annual Report (pages 1 - 10).

G4-3 to G4-7 G4-56

3.2 CAFCA supply chain



The raw materials indicated above are mostly imported due to either the unavailability of local suppliers (in the case of copper and aluminium) or more competitive import pricing. It is only recently that the organisation has started re-engaging and negotiating with some of the local suppliers of our raw materials due to acute shortage of foreign currency in the country. The organisation also does considerations prior to the purchase of energy consuming equipment and services. Energy efficient products and services are given the first preference.

Key raw materials

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

Our own products are manufactured to national and international standards, namely: SAZ 240, SAZ 732, SANS 1507, SANS 1339, SANS 1418 and BS 215 standards. Finished goods can be purchased and collected at the retail shop at the factory site in Harare, at our Bulawayo retail shop, through our distributors and informal market retail shops. We provide consignment stock to some of our key customers like mines.

G4-12 G4-15

3.3 Changes in supply chain

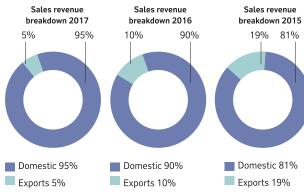
Due to the challenges in acquiring foreign currency to purchase copper, the organisation has embarked on a process of converting all bad quality copper acquired from different stakeholders into anodes using our internal small foundry. The copper anodes are then sent to an external service provider for conversion into usable copper (cathodes) using an electrolysis process. This arrangement is currently providing about 10% of our copper requirements. In the short-term period, up-scaling of this initiative will see CAFCA harvesting all redundant copper reserves in the country and converting into anodes then cathodes. This will lessen the burden on the need to import the copper thus countering the foreign currency challenge.

A toll manufacturing arrangement was made with a local manufacturing organisation to convert any of our aluminium scrap wire into rod. The local Al rod will complement the imported rod thereby alleviating the challenge of foreign currency shortages. The two initiatives above also goes a long way in recycling redundant copper and aluminium in the country.

G4-13

3.4 Markets

CAFCA's turnover is predominantly from the domestic market and this has increased comparing to the previous years due to the shortages in foreign currency most locals are preferring to buy locally. Exports were mainly to Zambia, Malawi and Mozambique – comprising about 5% of turnover in FY17 as compared to 10% in FY16 and 19% in FY15. See below the sales revenue breakdown for 2015, 2016 and 2017.



The domestic market is comprised of Utilities, Distributors, Construction, Industry, Mines, Informal sector, and Cash customers. Utilities contributed approx. 52% (FY15), 48% (FY16) and 30% (FY17) of total Sales revenue. The reduction in sales revenue from the Utilities is as a result of the depletion of redundant copper reserves under the barter deal with the utilities but they still remained our biggest revenue contributor. For net sales and total capitalisation refer to "Statement of financial position" section on page 17 and group performance review section on page 48 of the Integrated Annual Report.

G4-8

3.5 Scale of organisation

The organisation's manpower status was as shown in table below for the year 2015, 2016 and 2017.

Type of employment	2017	2016	2015
Permanent	169	154	158
Learnership	0	19	33
Contract	1	1	1
Students on attachment	9	9	10
Internship	2	0	0
Total	181	183	202

Whilst the total headcount did not significantly change, the significant change in permanent employees was because we permanently engaged learnership employees who had successfully completed their program.

G4-9 to G4-10 G4-17

4.0 Managing our risks

Risk management is imperative and if not properly done will lead to malfunctioning of business systems. Various tools have been adopted within CAFCA and in other areas where we can influence to ensure adequate risk management. Refer to "Corporate Governance" section of the Integrated Annual Report on page 4.

G4-34

4.1 Risk management system

Our risk management system supports our strategic goals and is designed to effectively identify, assess and mitigate our sustainability and business risks. The key personnel/teams within this system, and their primary risk management responsibilities, are as follows:

Teams/Personnel	Risk management responsibilities
Board of directors Audit committee	Identifying, monitoring and control of risk management efficiency, reviewing risk management strategies and reports.
Managing director The senior executive team	Identifying, managing and mitigating business operational risks.
Operational managers	Identifying, evaluating, mitigating and reporting everyday risks.
Employees	Implementation of the identified risk mitigation strategies.

4.2 Key sustainability risks and opportunities

During the July 2017 Strategic Planning Workshop the following significant risks and opportunities were identified by management across the various business functions of CAFCA. Action plans have been put in place and adopted as objectives and targets downstream for implementation by relevant teams. The following is an outline of the risks, opportunities and mitigation measures in relation to the material aspects of CAFCA Limited.

ID	OPPORTUNITIES	ACTION/PLAN
01	Replacement of machinery to overcome bottlenecks or reduce maintenance costs.	(a) Identify bottlenecks(b) Identify high maintenance cost machines
02	More substantial presence in our targeted export market	Cost/benefit analysis of opening branch, warehouse, consignment stock arrangement, dedicated agent in Malawi and Mozambique.
03	Refurbish specific machines to overcome bottlenecks or reduce maintenance costs.	Do cost benefit analysis of machines identified under (01) above – replacement versus refurbishment
04	Foreign currency access via toll or consignment stock with fixed price incentive.	Identify customers who have a source of forex to do toll, consignment stock or fixed price arrangement in return for forex.
05	Local copper supply.	Electrolysis project. Blister copper to feed electrolysis project.
06	Timeous despatch is required to meet customer expectation.	(a) Very clear rules required to ensure dispatch staff know what to do when multi customers are present.(b) Warehouse and stock layout guidelines are required to ensure product is cut and coiled in the least possible time.
07	Monthly recognition to recognise employee contributions who have excelled in the workplace needs to be reinstated.	Document procedure under Human Resources for criteria and the discipline that will ensure the Executive Team deliberate on the submissions monthly.
08	There must be evidence that the company and its employees genuinely believe that the CAFCA environment is a healthy environment.	Signage, policy and procedures must make it very evident we take providing a healthy environment seriously. Non Conformities and reaction to Non Conformities should be evidence that safety in the workplace is guaranteed.
09	Interested parties expectations in terms of the new standard must also be met.	(a) Communication with and document interested parties expectations.(b) There must be a monthly measurement to ensure that they are being met.
010	We need to live up to the operating principle that "we do it right first time".	Measure monthly the number of occasions we do not do it right first time by analysing fault cards, non-conformities, incidents and accidents.
011	Export tendering requires readily available services in order to meet the tight deadlines and difficult requirements.	Tender procedure needed which will require - Setting up a red team - Bank and performance guarantees - Technical input and type tests from certification bodies per product - Current export pricing - Timeous legal input from our lawyers
012	There is an opportunity to reduce cost, reduce handling, improve storage requirement by considering changes in packaging of raw materials.	Identify cost savings in the raw materials we buy by seeing how each material is stored and subsequently used.
013	Cradle to grave considerations for drums and cables must be communicated to customers.	The concept must be stated on our invoices plus electronic platforms that CAFCA will take back cable drums plus used cable both for dollar credit.
014	The elimination of waste particularly copper, aluminium, GSW and PVC is now a priority because of the forex implication.	The monthly package must include graphs by our champion with a 12 month history reflecting the various measurements in place that one used to measure wastage.

4.2 Key sustainability risks and opportunities (continued)

CAFCA risks as identified at the Strategic Planning Workshop

ID	RISK	ACTION/PLAN
R1	Shortage of foreign currency for purchase of critical raw materials and machine spares	Directly lobbying to the Reserve Bank of Zimbabwe via customer and industry associations
R2	Environmental considerations are being compromised through bad planning and performance e.g burn out oven smoke and external burning smoke.	Ensure that adequate supplies of copper are well planned and that the factory scrap output does not exceed the burn out oven capacity.
R3	Protection will bring with it the requirement of being able to supply plus hold the selling price.	 (a) Hold adequate stocks especially category A items. (b) Ensure foreign currency plus barter copper plus local supplies equates to expected demand. (c) Alert Ministry before importers do where commitment to supply and hold prices is under threat.
R4	We are still exposed on certain machines where we occasionally need 3 shift cover and a particular operator is not available.	 (a) Increase operator cover on all machines to at least five level four operators. (b) Set a monthly target of operators under training and ensure level four is obtained. (c) Identify leaving/retiring employees and ensure skills are transferred in advance of their leaving.
R5	Difficult economic environment will result in increased crime.	(a) Use technology to monitor and reduce risk.(b) Increase internal check processes to check accuracy of computer v physical.
R6	Wage demands need to be substantiated with actual increases on the ground.	Develop a model of employee costs as a basis for monitoring inflation at the lowest level.
R7	Employment of people who do not meet our skills or personality requirements has financial implications.	(a) Ensure procedures, checklists and Human Resources controls result in only honest, skilled and people with our core values being employed.(b) Students on attachments must go through this system to ensure we invest in the right people.
R8	Purchasing must protect CAFCA from the cost of product failure resulting from using raw material that does not meet the specification.	Purchasing procedures must ensure - All products come with data specs Evidence is received that the raw material has passed the relevant tests at the manufacturer We have on file product warranties against which we can claim.
R9	Our medium voltage cable testing capability is very thin because of lack of skills and training.	Outsource the production of training material and training of medium voltage testing to ensure a minimum of 6 people at all times are competent.

G4-2

5.0 CAFCA's position on precautionary principle

CAFCA understands that some of its processes may have a potential risk on the environment even though there has not been scientifically proven data to confirm the harm to the public or the environment, therefore the organisation takes full responsibility of these potential effects within our business processes.

In view of this fact, comprehensive Environmental Aspect Assessments and a Hazard Identification and Risk Assessments are conducted prior to the inception of any project to at least identify potential risks to the environment and the people. Control measures are then put in place to eliminate or minimize the perceived risks.

G4-14

6.0 Membership

CAFCA holds membership with various national organisations and it actively participates and contributes to activities organised by these organisations. These organisations enable us to realise opportunities, solutions to potential problems and provide us with information on changes to legal and other requirements that affect our business for the purposes of continual improvement. These organisations, through the various platforms, enable CAFCA to participate in issues that concern it as an industry and to make meaningful contributions on the issues that can affect its business. The organisations in which CAFCA still holds membership are:

- a) Confederation of Zimbabwe Industries
- b) National Employment Council for Engineering, Iron and Steel Industries
- c) Employers Confederation of Zimbabwe
- d) Engineering, Iron and Steel Association of Zimbabwe
- e) Business Council of Sustainable Development Zimbabwe
- f) Zimbabwe Institute of Engineers
- g) Construction Industry Federation of Zimbabwe

G4-16

8.0 Stakeholder engagement

CAFCA values its stakeholders and as such it engages them in order to manage their expectations and interests. The organisation uses a function based approach to identify its stakeholders and this is done during strategic planning workshops. Our stakeholders include customers, suppliers, shareholders and investors, government and regulators, financial institutions, employees, local communities, and trade and industry associations. The interests and expectations of each stakeholder are determined during the Strategic Planning Workshop. Engagement of all our stakeholders to maintain and address arising relationship issues are done through meetings, partnerships, collaborations, consultations, information and knowledge sharing and customer feedback.

Engagement frequency with these stakeholders is dependent on various factors and is stated in our internal procedures. The various engagements done during the reporting period were not specifically undertaken as part of this report preparation process. Below is a summary of how we engage our key stakeholders.

7.0 Awards

Refer to "Milestones" section on page 3 of the Integrated Annual Report 2017.

CAFCA Key stakeholders

Stakeholder	Why they are important to us	Who is responsible to engage them	Channels of engagement	Frequency of engagement
Employees	Success of business depends on their skills, expertise and dedication	Management team representatives Line managers	Works Council meetingsManagement briefingsSHEQ meetingsNEC meetings	Monthly and as agreed by both parties
Senior Executives and Management team	Success of business depends on their leadership skills and motivation	Managing Director	Management systems review meetings Mangement meetings	WeeklyMonthly
Shareholders and investors	Provide us with capital to develop and expand operations	Board of directors	Board meetingsAnalyst briefingsAnnual general meetings	QuarterlyAnnually
Lenders/Banks	Provide us with forex and platform for business transactions	Finance Management team	Relationship meetings	 Monthly
Customers	Buy our products to provide revenue and certainty to our business	Sales and marketing management team Senior executives	MeetingsTelephone conversationsEmail correspondencesCustomer evaluations	On-going
Suppliers/ Service providers	Provide us with raw materials, spares and services which we need to create valuable products	Procurement management team	MeetingsTelephone conversationsEmail correspondencesCustomer evaluationsSupplier correspondence	On-going
Government and regulators	Set the laws under which our business operates	Senior executives	MeetingsWritten communicationsTelephone conversations	As and when issues arise
Community	Recipients of the impact of our activities on the environment and source of intellectual property	Management representative Management team	MeetingsWritten communicationsTelephone conversations	As and when issues arise

G4-24 to G4-27

The following table gives the key topics and/or concerns raised by various stakeholders and how the organisation has responded to those key topics and concerns.

Stakeholder	Key topic raised	Concerns raised	CAFCA's response	Status
Employees	Remuneration issues		Resolved with reference to our agreed economic model	Closed
Customers (Walk-in customers at factory shop)		Long order processing time for walk-in customers at our factory retail shop	Implementation of various initiatives to reduce order processing time	Work in progress
Customer – Local power utility		New product quality issues	Timeous investigations and root cause analysis resulting in manufacturing process improvements	Closed
Export Customer		New product quality issues	Timeous investigations and root cause analysis resulting in manufacturing process improvements	Closed
Local banks	Critical shortage of forex		Directly lobbying to Reserve Bank of Zimbabwe via customer and industry associations	Ongoing
Foreign Suppliers		Long lead time to settle our suppliers	Directly lobbying to Reserve Bank of Zimbabwe via customer and industry associations	On-going
Community – Neighboring companies		Incinerator smoke pollution complaint	Smoke detector failure now linked to an alarm	Closed
Community – local trade and industry associations	Requests to benchmark on ISO 50 001 Energy Management system		Availed resources to impart experiences and knowledge	On-going

9.0 Our economic performance

CAFCA ensures economic sustainability by delivering a strong financial performance which will ensure that the organisation operates into the future. Since the organisation is listed on the Zimbabwe Stock Exchange, it is legally required to disclose financial performance information to the public. CAFCA has religiously complied with this requirement since its listing on the bourse.

In line with the GRI G4 disclosure requirements, we are providing our economic performance summary below.

	2017	2016	2015	2014	2013
	US\$	US\$	US\$	US\$	US\$
Turnover	19 310 457	18 148 818	29 310 805	23 607 380	23 858 213
Domestic	18 286 550	16 257 021	23 801 710	20 034 889	21 267 729
Export	1 053 907	1 891 797	5 509 095	3 572 491	2 590 484
Profit before income tax	1 226 227	678 028	2 452 551	2 685 391	1 910 887
Profit attributable to shareholders	726 213	418 604	1 796 524	2 027 616	1 416 509
Capital expenditure	375 455	173 684	415 275	300 963	250 210
Shareholders equity	15 458 801	14 709 165	14 311 794	12 269 611	10 239 619
Operating expenses	18 236 628	17 443 103	27 100 781	21 027 637	21 862 537
Payments to government (income tax)	328 410	312 205	675 063	688 582	546 932

For more information, refer to the following Integrated Annual Report 2017 sections:

G4-17 G4-EC1

[&]quot;Statement of Financial Position" section on page 16

[&]quot;Consolidated statement of comprehensive income" section on page 17

[&]quot;Consolidated statement of changes in equity" section on page 18

[&]quot;Consolidated statement of cash flows" section on page 19

[&]quot;Ratios and statistics" section on page 48

10.0 Our environmental performance

Whilst in the process of being certified to ISO 14001:2015 (Environmental Management System) and maintaining certification to ISO 50001:2011 (Energy Management System), CAFCA continues to enhance its commitment to environmental protection which encompasses balancing business demands and environmental stewardship. Our environmental performance is measured through the various material issues identified, our compliance obligations, maintenance of our management system standards, commitment to efficient resource use and implementation of the 4R's (Reduce, Reuse, Recover and Recycle).

According to GRI G4 guidelines, our material aspects as obtained from section 2.2 of this report are:

Reduce

Recover

Recycle

Reuse

- Materials
- Energy
- Water
- Emissions
- Waste
- Compliance
- Overall
- Environmental Grievance Mechanisms

10.1 Materials

Non-renewable materials used

Material	2017 (metric tonnes)	2016 (metric tonnes)	2015 (metric tonnes)
Copper (recycled)	1 170	1 539	1 862
Copper cathode	355	0	0
Aluminium	1 140	1 232	1 583

CAFCA continues to harvest redundant copper reserves and as such redundant copper harvested was approx. 77% of the total copper used at CAFCA showing that the organisation is taking an active part in the protection of the environment as it is making use of copper which is being regarded as redundant and converting it into useful product. Copper is the most important raw material for CAFCA and the intention is to continue harvesting the redundant copper and converting into product in the long term reducing the need to extract virgin copper from the natural resource reserves. Nonrenewable materials consumption has decreased by 10% comparing FY16 to FY17. The main reason for the reduction is the decision to reduce our production capacity from a 250 tonne per month to a 180 tonnes per month model, copper and aluminium combined. This model was necessitated by the shortage of foreign currency in the country and the dwindling supplies of redundant copper from the local electricity utility ZETDC.

G4-EN1 G4-EN2

10.2 Energy- Non-renewable fuel consumptions

Production processes at CAFCA are 90% powered by electricity which is used for the furnace, machines, administration work and the canteen. The 10% remaining is distributed amongst Liquefied Petroleum Gas-LPG (for geysers and the incinerator), diesel and petrol (for company vehicles, forklifts and standby generators) and charcoal for the carbon monoxide plant for the smelting furnace. Consumption of these energy sources is dependent on our production patterns.

Note: Conversion factors obtained from International Energy Agency

Non renewable fuel consumptions for energy used within the organisation

ID	Energy source	Consumption (GJ) 2017	Energy intensity (GJ/ton) 2017	Consumption (GJ) 2016		Consumption (GJ)	(GJ/ton) 2015
1	Electricity	18 023	8.6	19 199	9.7	23 091	6.9
2	Charcoal	22	0.01	29	0.01	722	0.02
3	Liquified Petroleum Gas	734	0.4	794	0.4	986	0.3
4	Diesel	2 393	1.15	1 886	0.9	2 481	0.7
5	Petrol	400	1.15	612	0.39	521	0.2
Total		21 572	10.34	22 052	11.1	27 802	8.3

The total energy intensity decreased by approximately 6% as a result of the decrease in the electricity and petrol intensity in 2017. During the year there was a 4% increase in the production output however there was a 2% decrease in the total energy consumption and this was because of the initiatives in place under Energy Management Opportunities for improvement which are assisting in efficient production.

G4-EN3 G4-EN5

10.3 Water

CAFCA processes that rely on water include the extrusion process, the cooling system for the furnace, the cooling system for wire drawing processes and the day to day activities including cooking and the ablutions. The demand of water in a month is not necessarily based on our production patterns because most of our operations have closed loop water reticulation systems. CAFCA recycles water from its Deionizer approximately $100 \, \mathrm{m}^3$ per month and water wastage is not tolerated, all employees are encouraged to report leaks as soon as they occur. The organisation relies on underground borehole water, and the borehole that operates at a capacity of $4.2 \, \mathrm{m}^3$ /hour is able to meet our production demands.

There has been a decrease in the amount of water used during the year 2017 as compared to the year 2016 by 7% and this is mainly due to the timeous response to water leaks identified and a general awareness amongst the employees on the need to conserve water. The timeous response to water leaks is necessitated by the water management system in place for which sub meters have been installed on key sections of the organization, daily meter readings are taken and sectional volume balances done in an Excel spreadsheet.

Source	2017 (m ³)	2016 (m ³)	2015 (m ³)
Municipal	0	0	0
Underground borehole	11 801	12 690	13 434

G4-EN8 to G4-EN10

10.4 Emissions - CAFCA carbon footprint

The Ministry of Environment, Water and Climate in a conference in Addis Ababa, Ethiopia in April 2016 reported that Zimbabwe as a nation had submitted its Intentionally Determined Contributions to the United Nations Framework Convention on Climate Change to achieve 33% reductions on energy related ${\rm CO}_2$ equivalent per capita with business as usual scenario by 2030. The report also indicated that current situation had industry contributing 5% to the total CO₂ emissions and the energy sector contributing 49%, therefore CAFCA as part of industry and a consumer of the product of the energy sector is mandated to collaborate with other players towards achievement of this target. In as much as Zimbabwe is a low emitter, only contributing less than 0.05% to the global emissions, the global village is transitioning towards a low carbon economy, therefore industry has a big role to play.

In view of the facts above, CAFCA continues to monitor its GHG emissions with reference to the six GHGs listed in the Kyoto Protocol namely carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. CAFCA emissions reporting has been organised in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard which is used as a guideline and reference document to facilitate emissions reporting in line with international standards. The operational boundary has been defined as scope 1 (direct emissions) and scope 2 (indirect emissions) only. Scope 3 (other indirect emissions from reporting company's upstream and downstream activities) emissions have not been reported due to lack of reliable data from third parties. Both the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and ISO 14064 Part 1:2006 - Guidance at the organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and GHG Protocol, state that it is optional to report scope 3 emissions.

CAFCA uses the carbon foot print data to track its facilities' greenhouse gas emissions and to identify opportunities to cut pollution, minimise wasted energy, and save money—what's measured can be managed. Direct emissions at CAFCA result from the consumption of liquefied petroleum gas (LPG), diesel, petrol, acetylene, charcoal and emissions from copper smelting and extrusion processes. Indirect emissions at CAFCA come from the use of purchased grid electricity.

Emission factors used to calculate carbon dioxide equivalent emissions were obtained from the Department of Environment Food and Rural Affairs (DEFRA), United Kingdom.

CAFCA's total greenhouse gas emissions in financial year 2017 (FY17) were 3122 tonnes of CO_2 equivalent (tCO_{2e}). This is a 6% decrease from previous year's total greenhouse gas emissions of 3305 tCO_{2e}. Purchased electricity contributed 96% of the total greenhouse gas emissions in the year under review. Electricity consumption decreased by 6% in FY17 as compared to FY16. This was because of the opportunities for improvement implemented under energy management system. The use of smaller compressor to run during low factory loading periods (weekends and holidays), enforcing running machines at optimum speeds, retrofitting of lighting with energy savers/LEDs, running economic order quantities in the factory, and the use of electronic drives on furnace cooling tower fans, were the significant opportunities for energy performance improvements implemented during the year.

The overall GHG emission intensity decreased from 1.66 tCO $_{2e}$ per metal tonne in FY16 to 1.50 tCO $_{2e}$ per metal tonne in FY17 - a 10% decrease. The decrease in intensity was mainly because of the increase in the production tonnage by 5% versus a 6% decrease in the GHG emissions. Production tonnages increased because the Medium Voltage plant was fully operational during the year increasing our tonnages however the energy management opportunities for improvement in place assisted in the reduction of the energy consumed per metal tonne produced.

Going into FY18, the organisation continues to implement energy management opportunities for improvement identified as part of the Energy Management System (ISO 50 001:2011). The initiatives are to replace some of the ageing machines, continue to phase out non energy saving lights with CFLs/LEDs, explore use of solar PV to power office equipment, indoor and outdoor lighting, retrofit electronic control systems in place of mechanical and direct-on-line driven systems, and install electronic drives for water pumps and fans. These improvements are expected to improve the organization's energy performance hence further reducing the GHG emission intensity in the next reporting period and positively contributing to a low carbon economy.

10.4 Emissions - CAFCA carbon footprint (continued)

The following table shows the GHG emission figures for financial year 2017. GHG emission figures for 2012 to 2016 financial years are also shown for comparative purposes.

CAFCA GHG Emission inventories

Emission sources	2017 total emissions (tonnes CO _{2e}) - 12 month period	2016 total emissions (tonnes CO _{2e}) - 12 month period	2015 total emissions (tonnes CO _{2e}) - 12 month period	2014 total emissions (tonnes CO _{2e}) - 12 month period	2013 total emissions (tonnes CO _{2e}) - 12 month period	2012 total emissions (tonnes CO _{2e}) - 12 month period
SCOPE 1: PETROL Forklifts Company vehicles	1.55 2.31	0 2.85	0 2.41	0 2.39	0 2.57	111.12 3.28
DIESEL Forklifts Company vehicles Generators	35.36 11.72 8.29	29.66 9.77 5.94	36.03 10.69 27.94	24.48 10.85 10.23	30.60 9.55 14.66	8.77 3.31 13.29
LPG cylinders	21.21	22.87	31.70	29.30	25.57	17.19
CHARCOAL Furnace	1.87	0.99	97	1.22	61.49	45.45
HFC's Refrigerators Air conditioners	0.0000765 0.005	0.0000765 0.005	0.0000765 0.005	0.000765 0.005	0.000765 0.002	0.000765 0.05
ACETYLENE GRAPHITE EXTRUDERS	0.58 28.4 6.78	0.04 27.79 5.14	0.69 33.23 3.96	0.75 32.88 2.39	0.43 25.56 1.23	0.43 18.53 1.98
SCOPE 2:						
ELECTRICITY Plant and Admin	3,004	3,200	3,776	2,930	3,299	30,75
	3,004 3,122	3,200 3,305	3,776 4,020	2,930 3,044	3,299 3,471	30,75 3,198
Plant and Admin TOTAL GHG EMISSIONS				,		

G4-EN15 to G4-EN18

10.4.1 Air quality monitoring

CAFCA monitors its emissions through an independent consultant every quarter to measure its air emissions as per the requirements of S.I 72. Licenses are applied to the Environmental Management Agency annually, and the licenses that were applied for in 2017 were within the permissible ranges as listed below:

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

G4-EN15 to G4-EN18

10.5 Waste

10.5.1 Hazardous waste

Type of waste	Quantity (tonnes)		Method of disposal
		2017	
Solid waste	25		Landfill
Electrical waste	0		Landfill
		2016	
Solid waste	105		Landfill
Electrical waste	8		Landfill
		2015	
Solid waste	115	5	Landfill
Electrical waste	1		Landfill

There was a reduction in hazardous solid waste disposal by 80 tonnes as a result of the decrease in the generation of contaminated waste in the form of sawdust which is used to contain spillages in the factory and engineering workshops.

10.5.2 Non-hazardous waste

Type of waste	Quantity (tonnes)	Method of disposal
	2017	
General waste	326	Landfill
* Plastic waste	25	Recycling by third parties
* Paper waste	0	Recycling by third parties
	2016	
General waste	251	Landfill
*Plastic waste	12	Recycling by third parties
*Paper waste	0.6	Recycling by third parties
	2015	
General waste	429	Landfill
*Plastic waste	3	Recycling by third parties

All waste is disposed of directly by the organisation to the Pomona landfill through contracted transporters after obtaining a disposal permit from City of Harare.

G4-EN23

10.6 Compliance

The organisation did not receive any fines and/or sanctions for non-compliance with environmental laws and regulations during the reporting period. The organisation subscribes to Optima Legal software for the update of all applicable legal obligations. During the year new legislations were gazetted by the government and CAFCA had to comply, see table below. CAFCA legal registers were updated accordingly. The organisation shall continue to use its internal business management systems to comply with legal obligations.

ID		Action plan
1	Electricity (Inefficient Lighting Products Ban and Labeling) Regulations, SI 21 of 2017	All incandescent lights have been replaced with energy saving lighting and the only outstanding matter is our faraday cage with a special requirement and an action plan in place to explore ways of getting rid of the incandescent without affecting the operations of the facility.
2	Environmental Management (Prohibition and Control of Ozone Depleting Substances, Greenhouse Gases, Ozone Depleting Substances and Greenhouse Gases Dependent Equipment) Regulations, S.I. 131 of 2016	Updated the legal register and applied for a license for importing our affected materials from the Ministry of Environment, Water and Climate.

G4-EN29

10.7 Environmental grievance mechanisms

In the reporting period the organisation received one complaint from the neighboring company Whelson Transport (Private) Limited as a result of the offending odor that was being emitted from the incineration process used to recover copper from redundant copper cables. The root cause identified was a failure in the smoke detection system. The design of the incinerator control system was modified to include an alarm that would sound in the event of a failure of the control system and the operating procedure was amended to include mitigation measures in the event of failure in control system. Since then there has been no complaints received from the neighboring company.

G4-EN34

10.8 Overall

Environmental management expenses

2017 US\$	2016 US\$	2015 US\$
33 297	41 738	40 546

The reduction in expenditure was mainly because of the reduction in the disposal of special waste which reduced by 80 tonnes comparing FY17 to FY16. The organisation benefited from an initiative to process ash from our incinerator (Burn Out Oven) to recover residual copper. The ash is a byproduct of the incineration process to recover copper from redundant composite cables. The recovered residual copper is made into anodes that are then processed through electrolysis to make copper cathode for cable manufacturing.

G4-EN31

11. Our social performance

11.1 Our people

CAFCA values its employees as they are the team behind the success stories of CAFCA year in year out. The organisation provides equal opportunities, without discriminating against gender, race, physical ability or HIV/AIDS status. We value our employees' contributions and commit to treat our employees in a respectable, fair and professional manner.

We recognise and respect employees' right to freedom of association and collective bargaining within the scope of national laws of Zimbabwe. 100% of our employees are covered by Collective Bargaining Agreements. Our management has an ongoing and constructive engagement with employees at all levels to address any issues or concerns they might have. Our policy is to provide necessary advance notice in the case of significant operational changes that could substantially affect them.

Our Occupational, Health and Safety Policy as enshrined in our Safety, Health and Environmental Policy is dedicated to continual improvement in safety, health and environmental performance. We continue to apply our OHSAS 18001 Occupational Health and Safety management system as part of our commitment to achieve zero work related accidents and diseases. All employees and contractors are represented in the monthly health and safety subcommittee meetings that are done to address issues of health and safety concern.

The organisation supports the employees' professional growth to attain its vision which is to be recognised for excellence in providing quality products and services that give the best value to all our customers and other stakeholders. We invest in training and development to enhance the capabilities of our employees. Training needs for employees are identified and prioritised by management based on organisational needs. Broad training areas include production machine operations, engineering hands-on skills, quality knowledge, SHEQ systems, leadership development, induction and ethics awareness.

G4-11

^{*}Paper and plastic waste is sold to third parties for the purposes of recycling or reuse.

11.2 New employee hires by gender

Year	Category	Male	Female	Total	% rate of new female to total new hires
2017	New hires	23	2	25	8
2016	New hires	14	3	17	18
2015	New hires	47	8	55	15

11.3 New hires by age group

Year	18-20	21-30	31-40	41-50	51-63
2017 % rate	1 4	18 72	2 8	3 12	1 4
2016	2	15	0	0	0
% rate	12	44	0	0	0
2015 % rate	3 5	43 78	5 9	3 5	1 2

11.4 Employee turnover by gender

Year	Category	Male	Female	Total % to tur	rate of female total employee nover
2017	Turnover	22	3	25	12
2016	Turnover	28	3	31	10
2015	Turnover	20	5	25	20

11.45 Employee turnover by age group

Year	18-20	21-30	31-40	41-50	51-63	
2017	1	13	9	2	0	
% rate	4	52	36	8	0	
2016	0	22	4	4	1	
% rate	0	71	13	25	12	
2015	0	19	2	3	1	
% rate	0	76	8	12	4	

G4-LA1

11.5 Health and safety performance

100% of our employees are represented in joint management-worker health and safety committee. The health and safety statistics for 2015, 2016 and 2017 are shown in the table below.

Performance indicator	2017	2016	2015
Injuries	8	4	13
Fatalities	0	0	0
Contractor related injuries	3	0	1
CAFCA injuries	5	4	12
Lost time injuries	5	3	10
First aid injuries	5	1	3
Total number of accidents	8	4	13
Lost man-days due to injuries	30	17	51

G4-LA5 to G4-LA6

The number of accidents occurring has increased from the previous year by 100%. Of importance is the increase in the number of contractor related injuries. To counter this, an action plan was put in place to include the contractors in the CAFCA health and safety subcommittee to have them participate and get involved in the health and safety issues of the organisation. We have also included contractor training on contractor responsibilities at induction and awareness on the general safety procedure at induction for all employees.

11.6 Training and education

The training statistics for 2015, 2016 and 2017 are shown in table below.

	2017	2016	2015
Number of employees trained	196	118	267
Number of man days trained	270	342	367
% Female	7	15	10
% Male	93	85	90

G4 - LA9

During the year CAFCA received a US\$2000 penalty from National Social Security Authority (NSSA) for not reporting an accident that occurred in 2013 to the Workers' Compensation Insurance Fund (WCIF) division within 14 days of its occurrence according to the law. CAFCA responded pleading guilty and requesting for a waiver of the penalty. The gravity of the case was however mitigated by the fact that CAFCA had reported the same accident to the NSSA Factories Inspectorate division within the time stipulated by law. NSSA Factories Inspectorate division is a sister division to the WCIF division. Based on the fact that CAFCA had at least reported to a division of NSSA, the latter communicated feedback that it is considering a waiver of the penalty. The case was still pending at the time of writing this report. Meanwhile, CAFCA has amended its accident reporting procedure to include controls for one person's work to be checked by another to avoid recurrence.

11.7 Occupational Health Surveillance

CAFCA is committed to providing a safe environment and promoting social well-being of its employees and all the people working on behalf of CAFCA. Our operations have the potential to expose employees to hazards such as noise, dust, glare and heat. Measures are in place to reduce exposure to these hazards including investing in engineering controls to reduce noise levels, planned maintenance of machinery, and provision of Personal Protective Equipment and job rotations. During the period there were no disease outbreaks that were reported amongst employees. Moreover employees are sent for medical assessments annually and the statistics are listed in the table below:

Health assessment parameter	Number of employees sent for assessment		
	2017	2016	2015
Audiometric	52	50	50
Pneumoconiosis	35	42	28
Site screening	56	47	47
Thermal heat assessment	50	30	30

In the FY17, five (5) employees were identified as having deteriorating eyesight for which the causes are not related to their work. These were referred to a specialist for further assessment and treatment.

G4-LA5 to G4-LA6

This document meets the criteria of being in accordance with the G4 Guidelines for sustainability reporting on the core level.

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13.0 Key for the relevant aspects index

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