

# CFI HOLDINGS LIMITED

## Abridged Audited Group Financial Report To Shareholders For The Year Ended 30 September 2024



### SHORT-FORM ANNOUNCEMENT

Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange.

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

The full announcement is available on the Zimbabwe Stock Exchange website: [www.zse.co.zw](http://www.zse.co.zw), and at the registered office of the Company, 1 Wynne Street, Harare.

#### FINANCIAL HIGHLIGHTS

	Year to 30 Sep. 2024 ZWG	Year to 30 Sep. 2023 ZWG	% change to 2023
Revenue	1,492,075,073	775,862,331	92.3
Operating loss before financing costs, depreciation and impairment	(404,879,415)	(459,469,307)	(11.9)
Loss for the year	(527,685,168)	(390,210,225)	35.2
Basic losses per share (cents)	(494)	(365)	35
Headline losses per share (cents)	(494)	(365)	35
Total assets	1,542,616,869	1,126,366,809	37.0
Total equity	146,903,359	581,865,665	(74.8)
Cash utilised in operations	(205,924,661)	(293,018,312)	(29.7)

#### Auditor's Statement

This short-form financial announcement is derived from the audited consolidated financial statements of CFI Holdings Limited, and should be read in conjunction with the complete set of the consolidated financial statements for the year ended 30 September 2024.

The consolidated financial statements have been audited by Baker Tilly Chartered Accountants (Zimbabwe), who have issued an unqualified audit opinion. The independent auditor's report on the consolidated financial statements is available for inspection at the Company's registered office. The engagement partner on the audit is Mr. Fungai Nyagwaya (PAAB Number 0477).

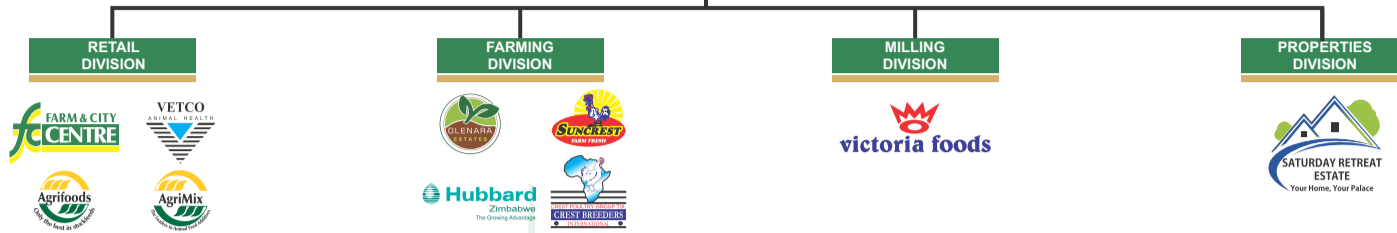
#### Dividend

In view of the Group reported losses, your Board will not declare a dividend for the year ended 30 September 2024.

Ms. I. V. Pasi  
Chairman  
13 December 2024

# CFI HOLDINGS LIMITED

## Audited Abridged Report To Shareholders For The Year Ended 30 September 2024



### Directors' Responsibility

The Company's Directors are responsible for the preparation and fair presentation of the Group's financial statements, of which this press release represents an extract. The principal accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial statements. No significant changes arise from new and revised International Financial Reporting Standards (IFRS) which became effective for reporting periods commencing on or after 1 January 2024.

### Adoption of IAS 29 (Financial Reporting in Hyperinflationary Economies)

The Group's financial records were kept and reported under IAS29 up to 31 March 2024 using the ZWL currency. IAS 29 requires that inflation-adjusted financial statements become the entity's primary financial statements, with historical cost financial statements being presented only as complementary financial information. In accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates), the Group converted hyperinflated ZWL financial statements up to 31 March 2024 to ZWG.

### External Auditor's Audit Opinion

These abridged Group financial statements have been audited by the Group's external auditors, Baker Tilly Chartered Accountants (Zimbabwe), who have issued an unqualified audit opinion. The independent auditor's report on the Group's financial statements is available for inspection at the Company's registered office. The engagement partner on the audit is Mr. Fungai Nyagwaya (PAAB Number 0477).

### Trading Environment

The operating environment remained challenging, driven mainly by the ravaging effects of the El-Nino induced drought and currency volatility, consequently driving inflationary pressures. This is further explained below:

### El-Nino Induced Drought

The drought prediction and its eventuality witnessed a decline in aggregate demand for agricultural inputs during the first half of the financial year. The resultant poor harvest in most of Southern Africa, Zimbabwe being the hardest hit, witnessed the soaring of prices of grain commodities from prior year, with the Country becoming heavily dependent on grain imports, thereby increasing the cost of production. The drought also heavily impacted the tobacco season, seeing a reported 27% decline in volumes and 15% decline in value against prior year's season.

Outside of the agricultural sector, the El-Nino phenomena had a devastating effect on the Country's power supply, as water levels remained very low at Kariba, reducing electricity generation capacity. Low power supply further compounded challenges for all the productive sectors of the economy, not only impacting throughput, but also the cost of production as most businesses turned to alternative sources of power.

### Currency Volatility

The economy suffered aggressive exchange rate deterioration during the first half of the year, with the Zimbabwean Dollar (ZWL) weakening from ZWL5,466.75: USD1 as at 30 September 2023 to ZWL33,904.99: USD1 as at 5 April 2024. Upon the introduction of the ZWG, the Governor also announced the abandonment of the foreign currency centralised auction system and the adoption of the Willing Buyer Willing Seller auction system (WBWS), which was supposed to cause a transparent price discovery mechanism for the interbank market.

Following the introduction of the Zimbabwe Gold-Backed currency (ZWG) in April 2024, the economy witnessed some currency stability between April and June 2024, with the ZWG pegged against the USD at ZWG13.57: USD1 and month-on-month inflation rates remaining stagnant at a reported 0.0%. However, as demand for USD far surpassed supply on the WBWS auction, the gap between the parallel and official exchange rates widened from July to September 2024. This was a particularly difficult period for formal businesses, being compelled to use the official exchange rates without receiving the corresponding benefit of the WBWS auction system. Following the resurgence of exchange rate volatility, on 26 September 2024 the GoZ responded by devaluing the new currency to an exchange rate of

ZWG25:USD1 as Government officials hoped that this merge exchange rate risks, anchor the inflation expectations and stabilise prices in the near to short term. Official annual inflation statistics lost their meaning from February 2023 when the GoZ started producing blended inflation numbers, which do not reflect the correct level of local currency inflation.

### Financial Performance

Group revenues for the year increased by 93.2% from ZWG773.76 million in the previous year to ZWG 1.49 billion, reflective of the hyperinflation of the ZWL during the first half of the year. Overall, retail operations contributed 83.18% (2023- 80.13%), whilst milling operations (Victoria Foods) contributed 15.68% (2023 - 18.61%) and farming operations accounted for 0.03% (2023- 0.04%) of Group turnover.

The Group incurred unrealized exchange losses of ZWG490.6 million (2023 - ZWG536.0 million) on its foreign currency denominated loans and creditors. Overall, the Group incurred a loss before tax of ZWG464.99 million against a loss of ZWG515.05 million for the prior year.

The Group invested ZWG10.6 million (2023 - ZWG8.8 million) into property, plant and equipment, mostly towards the replacement of the Group's aged company motor vehicle fleet, and the capitalization of Victoria Foods' plant spares.

### Operations Review

#### Farm & City Centre (FCC)

Notwithstanding the difficult operating environment, sales volumes for FCC's key volume drivers increased by 10% compared to the previous year, driven by higher fertilizer sales during the tobacco season and improved stock feed availability. Going into FY2025, the division seeks to strengthen its adaptability to economic volatility and pursue growth through actively pursuing diversification of revenue streams.

#### Glenara Estates

The Estate suffered the negative effects of the El-Nino induced drought with harvested maize tonnage falling by 50% from prior year. The potato harvests throughout the year performed better against prior year, with a marginal 4% increase attributable to an increase in the planted area. The Estate's cattle breeding and pen fattening operations were maintained with reasonable success.

#### Property Development

#### Saturday Retreat

In February 2023, the Supreme Court ruled in favour of Crest Breeders International, confirming the entity's rights in Saturday Retreat Estate. The entity remains seized with formulating a development strategy as the Group looks to enhance its synergies with the retail unit and diversify its portfolio.

#### Langford Estates

The legal proceedings remain pending before the relevant tribunals. The market will be updated on further progress in due course.

#### Milling Operations

#### Agrifoods

The division struggled with raw material shortages caused by the EL-Nino induced drought. The shortages resulted in raw material prices going up, ultimately increasing the cost of production, whilst faced with reduced aggregate demand. This was particularly the case for beef feeds in the first half of the year as farmers resorted to de-stocking due to the drought. Overall, Agrifoods sales volumes for the year registered a marginal 4% increase over prior year. Management remains optimistic, forecasting a growth in sales volumes for FY2025 on the back of increased aggregate demand.

### Victoria Foods (VF)

The entity failed to register any meaningful sales and production volume growth, negatively impacted by drought induced raw material shortages and persistent power outages. Raw materials prices also rose from prior year levels, thereby depressing the division's financial performance. Overall, maize meal sold was 5% lower than prior year, while wheat flour sales were just 4% above last year.

### Poultry Division

Crest Poultry Group's other units, being Crest Breeders, Hubbard Zimbabwe and Suncrest Chickens, remained under care and maintenance during the period. Joint ventures leveraging the Group's poultry infrastructure and brands are still being pursued.

### Sustainable Business Practices

Your Board continues to strive to ensure that its business strategies and its values are constantly aligned with sustainable business practices guided by the Global Reporting Initiatives (GRI)'s Sustainability Reporting Guidelines.

### Future Prospects

The trading environment is expected to remain challenging and complex in the medium term impacted by continued liquidity constraints. On a positive note, with normal to above normal rains predicted for the 2024/2025 rainy season, aggregate demand for agricultural inputs is expected to improve. However, your Board and Management remain cautiously optimistic and will employ proactive management practices to ensure the Group's survival in uncertain times.

Going forward, the Group remains focused on sharp procurement strategies, particularly for the grain commodities and will prioritise continued investments in its milling operations in order to underpin their long-term competitiveness. Long term focus remains directed towards the development of low-cost housing delivery in Harare South in support of Government's Vision 2030 on housing. The Group will therefore maintain its efforts to resolve all issues affecting its interests in its land banks to make way for progressive, orderly infrastructure deployment and service delivery to the various settlements.

Your Board will also continually strengthen its human capital base, improve business models to be adaptive to the changing environment and to strengthen its operational systems for the benefit of all stakeholders.

### Acknowledgement and Appreciation

I wish to record my sincere appreciation to Management and Staff for their fortitude and resilience in serving our customers' various needs during these trying times. I also wish to thank our shareholders, customers, suppliers and financiers for their enduring support to the Group, which has made the ongoing business turnaround strategy possible. Lastly, I would also like to record my gratitude and appreciation to my fellow Board members for their valuable contributions, guidance and stewardship.

Ms. IV Pasi  
Chairperson

### Dividend Declaration

In view of the reported losses and current debt position, your Board will not declare a dividend for the year ended 30 September 2024.

P. Hare  
COMPANY SECRETARY  
BY ORDER OF THE BOARD  
13 December 2024

### ABRIDGED AUDITED GROUP CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Notes	Year To	
	30 Sep. 2024	30 Sep. 2023
	ZWG	ZWG
Turnover	1,494,924,022	773,756,127
Changes in fair value of biological assets	(2,848,949)	2,106,204
<b>Revenue</b>	<b>1,492,075,073</b>	<b>775,862,331</b>
<b>Operating loss before financing costs, depreciation and impairment</b>	<b>(404,879,415)</b>	<b>(459,469,307)</b>
Depreciation expense	(15,662,342)	(18,071,024)
Share of losses from joint ventures	(784,312)	(615,070)
Net finance costs	(43,658,975)	(36,895,086)
<b>Loss before tax</b>	<b>(464,985,044)</b>	<b>(515,050,487)</b>
Income tax (expense) credit	(62,700,124)	124,840,262
<b>Loss for the year</b>	<b>(527,685,168)</b>	<b>(390,210,225)</b>
<b>Other comprehensive income</b>		
Effects of changes in tax rates	-	(330,860)
Net movement on FCTR	44,243,788	-
Gain on equity investment designated as at FVTOCI	48,479,072	-
<b>Total other comprehensive income (loss)</b>	<b>92,722,860</b>	<b>(330,860)</b>
<b>Total comprehensive loss</b>	<b>(434,962,308)</b>	<b>(390,541,086)</b>
Loss attributable to:		
<b>Equity holders of the parent</b>	<b>(527,685,168)</b>	<b>(390,210,225)</b>
Total comprehensive loss attributable to:		
<b>Equity holders of the parent</b>	<b>(434,962,308)</b>	<b>(390,541,086)</b>
Basic losses per share (cents)	(494)	(365)
Diluted losses per share (cents)	(494)	(365)
Headline losses per share (cents)	(494)	(365)
Net asset value per share (cents)	137.52	544.71
Shares in issue	106,820,875	106,820,875

### ABRIDGED AUDITED GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At	
	30 Sep. 2024	30 Sep. 2023
	ZWG	ZWG
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	629,662,360	634,727,225
Investments (unlisted)	103,525,607	55,046,534
Investments in joint ventures	(393,955)	(220,555)
Deferred tax assets	115,467,692	168,398,974
<b>Total non-current assets</b>	<b>848,261,704</b>	<b>857,952,178</b>
<b>Current assets</b>		
Inventories and biological assets	538,328,538	350,719,365
Trade and other receivables	123,458,754	47,337,409
Investments - listed shares	2,255,375	959,670
Cash and bank balances	30,312,498	37,797,16
<b>Total current assets</b>	<b>694,355,165</b>	<b>436,813,605</b>
<b>TOTAL ASSETS</b>	<b>1,542,616,869</b>	<b>1,294,765,783</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the parent	146,903,359	581,865,665
<b>Total equity</b>	<b>146,903,359</b>	<b>581,865,665</b>
<b>Non-current liabilities</b>		
Accruals and other payables	140,325,876	74,649,699
Long term borrowings	587,087,205	286,878,295
<b>Total non-current liabilities</b>	<b>727,413,081</b>	<b>361,527,994</b>
<b>Current liabilities</b>		
Trade payables and other payables	585,063,555	247,753,538
Short term borrowings	29,115,640	63,066,028
Bank overdraft	19,108,416	19,796,694
Current tax liabilities	35,012,818	20,755,864
<b>Total current liabilities</b>	<b>668,300,429</b>	<b>351,372,124</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,542,616,869</b>	<b>1,294,765,783</b>

## Audited Abridged Report To Shareholders For The Year Ended 30 September 2024

### ABRIDGED AUDITED GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

**CASH FLOWS FROM OPERATING ACTIVITIES**  
**CASH OUTFLOWS BEFORE WORKING CAPITAL CHANGES**  
 Cash generated from working capital changes  
**CASH UTILISED IN OPERATIONS**

Net interest paid  
 Income taxes paid  
**NET CASH UTILISED IN OPERATING ACTIVITIES**

**CASH FLOWS FROM INVESTING ACTIVITIES**  
 Purchase of property, plant and equipment  
 Proceeds from disposal of property, plant and equipment  
**NET CASH OUTFLOWS TO INVESTING ACTIVITIES**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net increase in long term loans  
 Net short term loans raised  
 Net movement on listed investments  
**NET CASH INFLOWS FROM FINANCING ACTIVITIES**

**NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS**  
**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR**  
**CASH AND CASH EQUIVALENTS AT END OF THE YEAR**

Cash and bank balances  
 Bank overdraft

	Year to 30 Sep. 2024 ZWG	30 Sep. 2023 ZWG
(357,786,678)	(430,699,289)	
151,862,017	137,680,977	
<b>(205,924,661)</b>	<b>(293,018,312)</b>	
(43,638,975)	(8,700,066)	
(11,577,776)	(36,895,086)	
<b>(261,161,412)</b>	<b>(338,613,465)</b>	
(10,597,790)	(8,794,130)	
-	19,522	
<b>(10,597,790)</b>	<b>(8,774,608)</b>	
300,208,910	333,281,511	
(33,950,388)	56,802,810	
(1,295,705)	(1,412,174)	
<b>264,962,817</b>	<b>388,672,147</b>	
(6,796,385)	41,284,074	
18,000,467	(23,283,607)	
<b>11,204,082</b>	<b>18,000,467</b>	
30,312,498	37,797,161	
(19,108,416)	(19,796,694)	

### ABRIDGED AUDITED GROUP STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

	CAPITAL RESERVES ZWG	RETAINED LOSSES ZWG	TOTAL ZWG
Balance at 30 September 2023	1,040,204,875	(458,339,208)	581,865,667
Loss for the year	-	(527,685,168)	(527,685,168)
Other comprehensive income for the year	92,722,860	-	92,722,860
Balance at 30 September 2024	1,132,927,735	(986,024,376)	1,46,903,359

### NOTES TO THE ABRIDGED AUDITED GROUP FINANCIAL STATEMENTS

- 1.0 General information**  
 The principal activities of the Company, its subsidiaries and joint ventures (the Group) is the holding of investments, the letting of properties, the wholesaling and retailing of agro-inputs and general hardware commodities, the manufacturing of stock feeds, the provision of animal health requisites, the operation of maize and wheat mills, crops and livestock farming, and the development and management of real estate.
- 2.0 Basis of preparation**  
 The consolidated financial statements for the year ended 30 September 2024 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) (COBE). The Listing Requirements require financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Group's consolidated financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are reported in Zimbabwe Gold (ZWG).
- The principal accounting policies applied in the preparation of the Group consolidated financial statements are in terms of IFRS, and have been applied consistently in all material respects with those of the previous consolidated annual financial statements.
- 2.1 IAS 21 (The Effects of Changes in Foreign Exchange Rates)**  
 On 5 April 2024, the GoZ issued Statutory Instrument 00 of 2024, introducing a new currency, the Zimbabwe Gold (ZWG), which replaced the ZWL. According to the statutory instrument, for accounting and other purposes (including discharge of financial or contractual obligations), all assets and liabilities that were, immediately before the effective date, valued and expressed in ZWL, were deemed to be valued in ZWG by applying a conversion factor of ZWL 2,498,724:1 ZWG.
- 2.2 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)**  
 As reported under Note 2.1 above, the Group's financial records were kept and reported in ZWL up to 31 March 2024. Up to that date the Group's financial statements were prepared in accordance with IAS 29 together with International Financial Reporting Interpretations Committee (IFRIC) 7 (Applying the Restatement Approach under IAS 29), as if the economy had been hyperinflationary from 1 October 2018. As noted in the audited financial statements for the years ended 30 September 2019, 2020, 2021, 2022 and 2023, the Group adopted the Zimbabwe Consumer Price Index (CPI) as the general price index to restate transactions and balances. Appropriate adjustments and reclassifications, including restatements for changes in the general purchasing power of the ZWL, and for the purposes of fair presentation in accordance with IAS 29 were made in those financial statements to the historical cost financial information.
- In February 2023 the Ministry of Finance and Economic Development introduced a blended inflation rate based on a combination of the ZWL and the USD inflation rates and stopped reporting ZWL inflation and related Consumer Price Index (CPI) figures. There was need for businesses to estimate the ZWL inflation index to continue complying with IAS 29 requirements. As a result the estimated Consumer Price Index (CPI) for financial reporting purposes from February 2023 was calculated by adjusting the last published CPI based on the monthly movements of the Total Consumption Poverty Line (TCPL).
- In these Group financial statements, results for the first half year ended 31 March 2024, and comparative amounts have been restated to ZWG from inflation-adjusted numbers previously denominated in ZWL.
- The indices and conversion factors used to restate the historical financial statement to 31 March 2024 are as given below:
- |                             | Indices    | Conversion |
|-----------------------------|------------|------------|
| CPI as at 31 March 2024     | 439,219.62 | 1,000.00   |
| CPI as at 30 September 2023 | 44,720.86  | 9,9778     |
| CPI as at 30 September 2022 | 12,716.28  | 33,79355   |
- 3.0 Audit Opinion for the year ended 30 September 2024**  
 These abridged Group financial statements have been audited by the Group's external auditors, Baker Tilly Chartered Accountants (Zimbabwe), who have issued an unqualified audit opinion. The independent auditor's report on the Group's financial statements is available for inspection at the Company's registered office. The engagement partner on the audit is Mr. Fungai Nyagwaya (PWAB Number 0477).

	Year to 30 Sep. 2024 ZWG	30 Sep. 2023 ZWG
(464,985,044)	(515,050,487)	
16,180,956	6,605,347	
5,662,542	18,071,024	
49,633,965	536,030,825	
271,606	153,747	
4,204,397	3,992,898	
11,984,576	20,761,320	
84,225	387	
13,805,413	6,619,805	
36,835,010	(152,221,773)	
<b>62,700,124</b>	<b>(124,840,262)</b>	
224,264,536	67,868,273	
67,133,998	30,247,124	
22,447,402	28,121,367	
224,482,602	224,482,602	
<b>538,328,538</b>	<b>350,719,365</b>	
349,984,323	252,020,029	
266,258,522	97,924,294	
<b>616,202,845</b>	<b>349,944,323</b>	
29,115,640	63,066,028	
587,087,205	286,878,295	
<b>616,202,845</b>	<b>349,944,323</b>	
12,807	24,073	
251,736	587,780	
<b>264,543</b>	<b>611,853</b>	
51,687,715	68,917,389	
<b>51,687,715</b>	<b>68,917,389</b>	
1,241,047,099	621,713,203	
16,568,379	17,197,562	
234,008,815	136,628,175	
450,780	323,392	
<b>1,492,075,073</b>	<b>775,862,331</b>	
(383,383,089)	(596,794,928)	
(4,597,037)	26,407,387	
323,356	159,725,947	
(18,006,957)	(49,422,783)	
<b>(605,663,271)</b>	<b>(660,084,376)</b>	
787,888,253	666,882,520	
94,850,108	92,979,910	
211,268,486	176,997,735	
448,610,022	358,905,619	
<b>1,542,616,869</b>	<b>1,294,765,783</b>	
1,094,558,536	579,161,674	
24,384,272	16,099,620	
86,303,127	89,059,051	
180,667,576	27,679,772	
<b>1,395,713,510</b>	<b>712,990,118</b>	

**4.8 Events after the reporting period**  
 There were no significant adjusting or non-adjusting events after the reporting date at the time of issuing this press HEAD OFFICE: 1 Wynne Street, Harare. Tel: +263 (242) 791260/703160



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## **Independent Auditor's Report**

**To the members of CFI Holdings Limited**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the consolidated financial statements of CFI Holdings Limited which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of CFI Holdings Limited as at 30 September 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

### **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 financial statements section of our report. We are independent of CFI Holdings Limited in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independent requirements applicable to performing audits of financial statements in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Baker Tilly Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. Key audit matters are selected from the matters communicated with those charged with governance, but are not intended to represent all matters that were discussed with them. In addition to the matters described in the Basis for Opinion section of our report, we have determined the matters described below to be the key audit matters. These matters were addressed in the context of our audit of the financial statements as a whole. Our opinion on the consolidated financial statements is not modified with respect to any of the key audit matters described below, and we do not provide a separate opinion on these matters.

	Key Audit Matter	How our audit addressed the key audit matter
1.	<b>Hyperinflation Accounting (High risk area and significant judgement)</b>	
	<p>Following the Public Accountants and Auditors Board (PAAB) designation of Zimbabwe as hyperinflationary economy, management also evaluated and determined the economy of Zimbabwe to be hyperinflationary. CFI Holdings Limited applied the requirements of IAS 29 – Financial reporting in Hyperinflationary Economies for the first six (6) months of the financial year.</p> <p>Hyperinflationary accounting was determined to be a matter of most significance to the audit due to high risk and the significance of the balances and transactions, and the complexity and subjectivity relating to the application of the Standard.</p> <p>IAS 29 requires significant judgments to be made by management considering the guidelines provided in IAS 29 are limited.</p>	<p>We obtained an understanding of the CFI Holdings Limited’s process for identifying hyperinflationary economies and evaluated the policy in relation to hyperinflation accounting. Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• We recomputed and tested the hyperinflation workings prepared by management by evaluating the rationale for the economic indicators included (such as the inflation rate, cumulative inflation rate, consumer price indices from various sources).</li> <li>• We tested the source data used by agreeing it to supporting schedules.</li> <li>• We tested restatement of the statement of financial position and income statement items for compliance to the requirements of IAS 29.</li> </ul> <p>We found that the opening balances have been properly restated in terms of IAS 29.</p>
2	<b>Conversion from ZWL to ZWG Following the promulgation of SI 60 of 2024 -Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, 2024.</b>	
	<p>The Government of Zimbabwe, on the 5th of April 2024, through the Reserve Bank of Zimbabwe announced a change of currency from Zimbabwean dollar (ZWL) to Zimbabwe Gold (ZWG or ZiG), a gold backed currency.</p> <p>CFI Holdings Limited applied the requirements of IAS 21 – <i>The Effects of Changes in Foreign Exchange Rates</i> and IAS 29 - <i>Financial</i></p>	<p>We obtained an understanding of the CFI Holdings Limited’s process for converting opening balances as at 05 April 2024 and comparative figures. Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• We tested restatement of the statement of financial position and income statement</li> </ul>

<p><i>Reporting In Hyperinflationary Economies</i> to compute take on balances and prior year comparative figures on the date of change of currency from ZWL to ZWG.</p> <p>Currency conversion from ZWL to ZWG was determined to be a key audit matter due to the significance of the balances and transactions involved and the complexity relating to the application of accounting standards.</p>	<p>items for compliance to the requirements of IAS 29.</p> <ul style="list-style-type: none"> <li>• Recomputed and tested hyperinflation adjustments computed by management.</li> <li>• We recalculated ZWG balances computed by management as at 5 April 2024.</li> </ul> <p>We found that the opening balances and comparatives have been properly calculated in terms of IAS 29 and IAS 21.</p>
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## Other Information

The directors are responsible for the other information. The other information comprises the Directors Report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of 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 entity'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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 the 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for the audit opinion.

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 complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable related safeguards.

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

## **Report on Other Legal and Regulatory Requirements**

### **Zimbabwe Stock Exchange ("ZSE") Listing Requirements**

On 11 October 2021, an indefinite suspension on the ZSE due to non-compliance with listing requirements was lifted with a five-year moratorium to allow the entity to address the free float requirements. Notwithstanding the lifting of the suspension by the ZSE, CFI Holdings Limited remains non-compliant with regards listing requirements around free float threshold, appointment of a substantive Chief Executive Officer and Financial Director.

**Companies and Other Business Entities Act [Chapter 24:31]**

In our opinion, the accompanying financial statements have in all material respects, been properly prepared in compliance with the disclosure requirements in the manner required by the Companies and Other Business Entities Act [Chapter 24:31].

*Baker Tilly*

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**Date: 20 December 2024**