



Annual Report 2021

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Zambeef at a Glance

Zambeef Products PLC (“Zambeef”) is the largest integrated cold chain food products and agribusiness company in Zambia and one of the largest in the Southern Africa region. Zambeef is quoted on both the Lusaka Securities Exchange and the AIM market of the London Stock Exchange.

It is involved in the primary production, processing, distribution and retailing of beef, chicken, pork, eggs, dairy, fish, flour, stockfeed and day-old chicks throughout Zambia and the surrounding region. It further has retail operations in Nigeria and Ghana.

Zambeef also has one of the largest row cropping operations in Zambia, growing maize, soybeans and wheat. Zambeef plants nearly 21,000 hectares (ha) annually, with most of the resulting crops being used in the Zambeef animal feed and flour milling businesses.



Our Purpose

Zambeef’s vision is to be one of the most accessible, affordable and quality cold chain food providers in the region, delivered through our extensive retail and distribution network throughout Zambia and West Africa.



Our Business Model

Our vertically integrated business model provides strong foundations for growth and:

- Underpins margin capture and value add;
- Secures supply chain;
- Reduces Risk and earnings volatility



Zambeef at a Glance (continued)

DIVISIONS



Retail and Distribution

Zambeef's products are retailed through 238 outlets (2020: 235) directly to end-consumers, in a value-added form, either through the Zambeef concession agreement to operate Shoprite's in-store butcheries (73 in 2021; 71 in 2020) or through Zambeef's own retail and wholesale distribution network in Zambia (166 in 2021; 165 in 2020).

- 63 Zambeef retail outlets (2020: 65)
- 41 Zambeef Macros (2020: 39)
- 30 Novatek retail outlets (2020: 29)
- 1 Bakery (2020: 1)
- 31 Zamshu outlets (2020: 31)
- 41 Shoprite butcheries in Zambia (2020: 39)
- 31 Shoprite butcheries in West Africa: 25 in Nigeria and 6 in Ghana (2020: 32)

Zambeef also operates one of the largest transport and trucking fleets in Zambia, giving Zambeef control over its logistics and distribution.



Cold Chain Food Production

- The largest processor of beef in Zambia.
- Five beef abattoirs (capacity to slaughter 230,000 heads per annum (p.a.)) and five feedlots located across Zambia (standing capacity 14,000 heads).
- Meat processing plant with a capacity to process over 100,000 cattle p.a.
- One of the largest chicken processors, producing fresh and frozen products (capacity 8.8m broilers p.a.) and a table egg producer (285,000 layers). The Group's breeding and hatchery operations also supply large quantities of day-old broiler chicks (capacity 22.4m p.a.) to small and medium scale poultry producers.
- One of the largest piggeries and pork processing plants in Zambia, producing bacon, pork sausages and other meat products. (capacity to slaughter 75,000 head p.a.)
- Dairy farm with approximately 3,100 cows and a dairy parlour milking capacity of 2,000 cows per day.
- Dairy processing plant (capacity 120,000 litres/day) to process milk, lacto and a wide range of value-added products including yoghurt, drinking yoghurt, cheese, butter and milk-based juices.

Zambeef at a Glance (continued)

Stock feed (Novatek)



- The leading stockfeed producer in Zambia, operating two feed mills, in Lusaka and Mpongwe, with a capacity of 300,000 tonnes p.a.
- Novatek products are certified by the Zambia Bureau of Standards (ZS 017, ZS 018 and ZS 019) and the company is the only stockfeed producer in Zambia with ISO 22,000 Food Safety Management certification.

Cropping



- One of the largest row cropping operations in Zambia.
- 6,099 ha of irrigated and 8,730 ha of rainfed, arable land.
- Double cropping of irrigated land means Zambeef plants 20,696 ha p.a.
- Crop production focuses on soyabeans and maize during summer and wheat during winter.

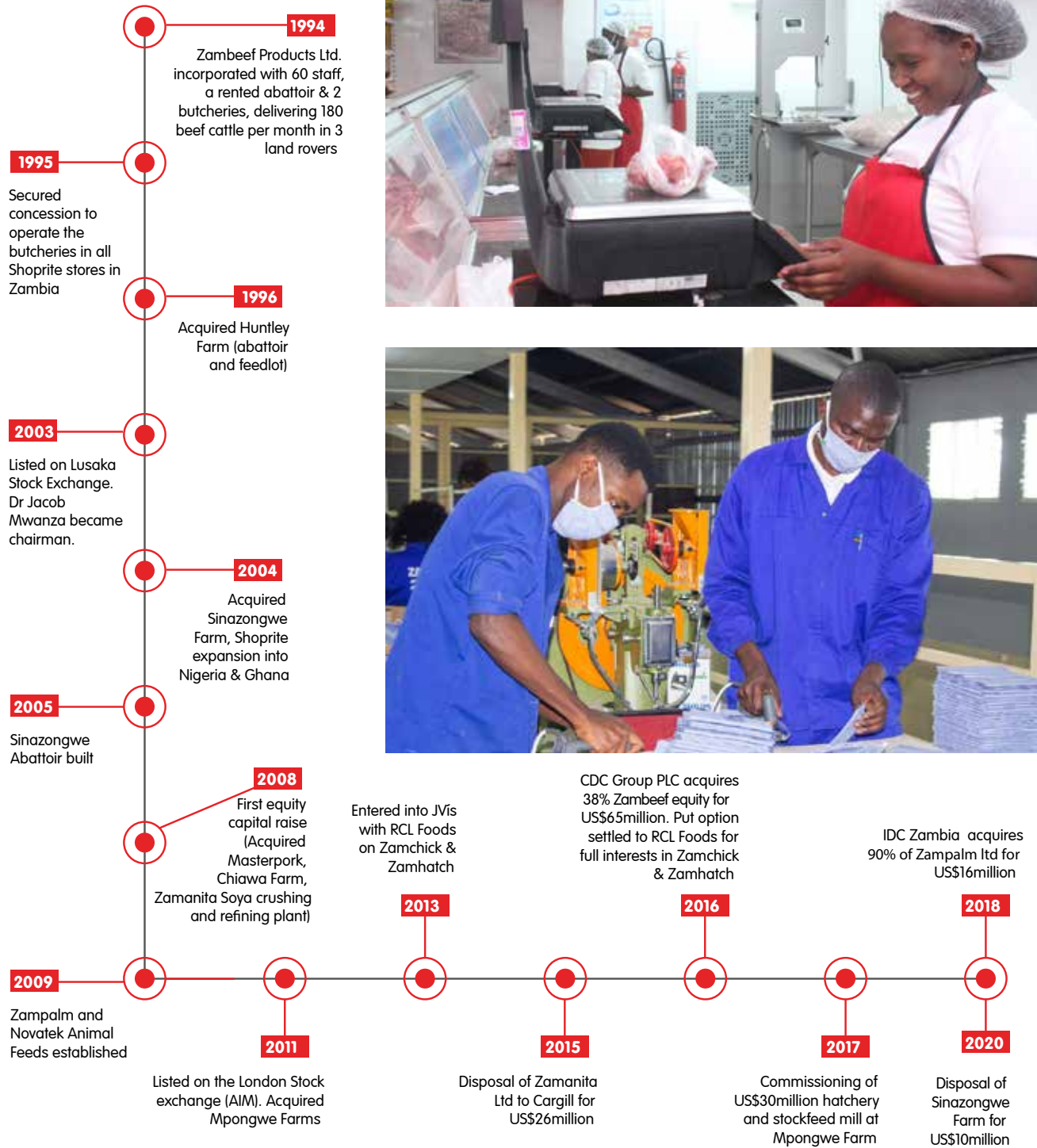
Other businesses



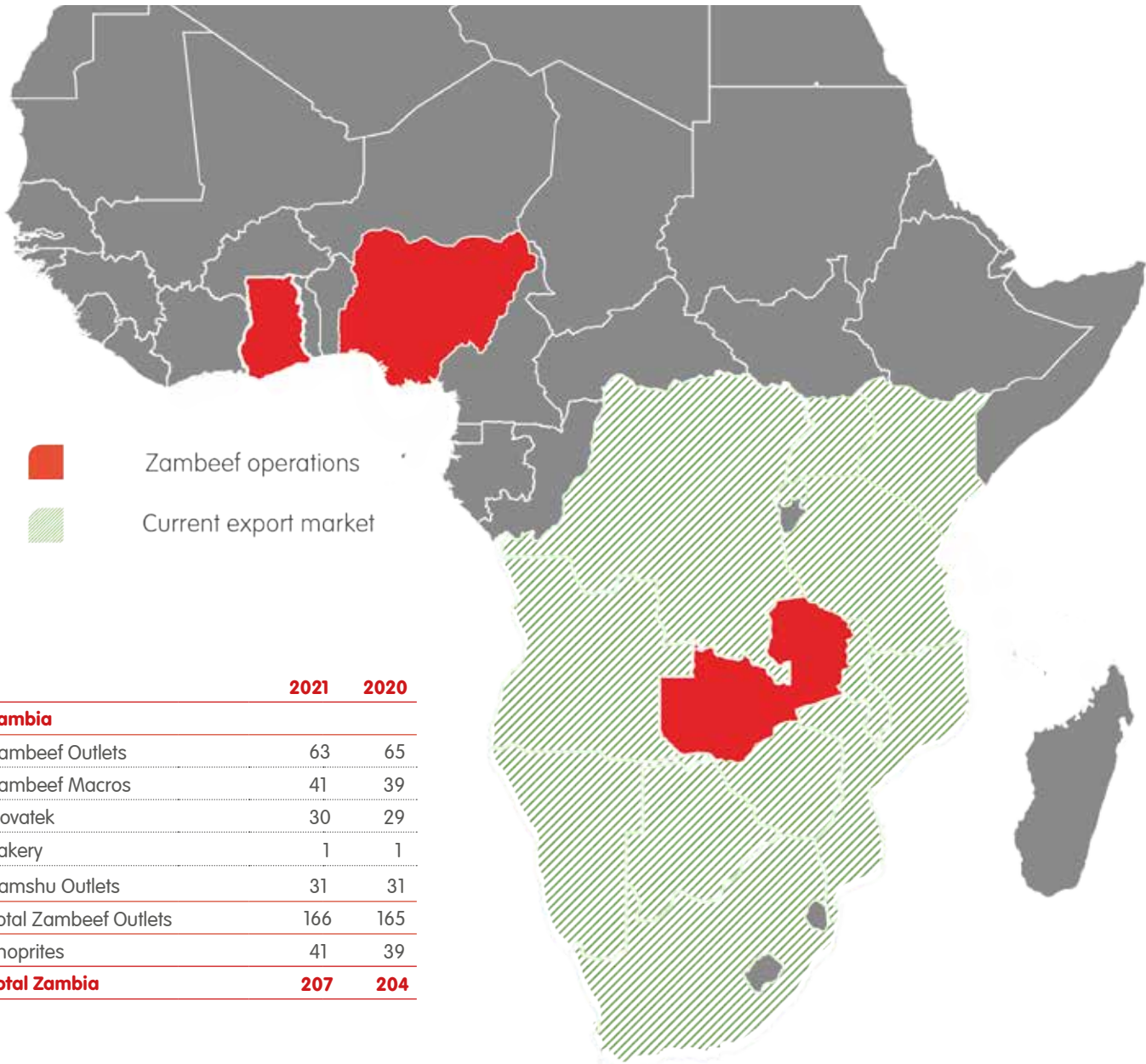
- Wheat mill with a capacity to mill 25,000 metric tonnes (mt) of wheat p.a.
- The largest tannery in Zambia, with a processing capacity of 130,000 hides p.a.
- The largest shoe manufacturing plant in Zambia, with a production capacity of 200,000 pairs p.a.
- One bakery with the capacity to bake 1.2 million loaves of bread p.a.



History & Key Milestone



Feeding a growing region



	2021	2020
Zambia		
Zambeef Outlets	63	65
Zambeef Macros	41	39
Novatek	30	29
Bakery	1	1
Zamshu Outlets	31	31
Total Zambeef Outlets	166	165
Shoprites	41	39
Total Zambia	207	204

Nigeria		
Shoprites	25	25
Master Meats Outlets	0	0
Total Nigeria	25	25

Ghana		
Shoprites	6	7
Total Ghana	6	7

	2021	2020
Total Zambeef	166	165
Total Shoprites	72	71
Total Retail Network	238	236

CHAIRMAN'S REPORT



Dear Shareholder,

It is my pleasure to present to you the Chairman's Report with respect to the financial year ended September 30, 2021.

The unprecedented effects of the global pandemic disrupted all aspects of life around the world and our business has not been exempted. This invariably meant difficult trading conditions, balancing between safeguarding the welfare of our people and customers against ensuring the business continuing to run efficiently and effectively whilst feeding the nation. The 2021 financial year was characterised by supply challenges and rising input costs underpinned by a tough macro environment. In comparison to the previous period, the macroeconomic fundamentals remained relatively stable during the financial year in the context of events in the second half of 2020. The local currency depreciated at a much slower rate

in the first half and experienced a steep appreciation in the second half of the financial year. Increased consumer spending, stemming from government dismantling of domestic debt and the central bank's Covid-19 economic stimulus package resulted in increased demand for our products.

The good rainfall season experienced during the summer increased the supply of hydroelectric power to the nation, which helped alleviate the load shedding situation, thus positively impacting on the financial performance. The strength, resilience and agility of our business can be seen through the financial performance.

The Group generated an operating profit, including profit from asset held for sale, of ZMW299.3 million (USD14.1 million) compared to ZMW212.1 million (USD13.1 million) in the prior financial year. The operating profit excluding profit from asset held for sale operations was ZMW267.3million (USD12.7 million) compared to ZMW210.5 million (USD13.1 million) achieved in the previous financial year. Profit before tax was ZMW203.9 million (USD9.7 million) compared to a Loss before tax of ZMW22.7 million (USD1.4 million) achieved in the prior financial year. The Group's performance in the face of headwinds illustrates the strengths of our vertically integrated business model, the strength of our brands and a good management team.

The Board believes the key to sustainable growth, while mitigating the effects of dynamic economic and climate cycles, lies in remaining committed to its strategic priorities. As such, the focus remains on the core businesses that generate

sustainable and strong cashflows, while reducing our debt to release cash for reinvestment in higher returning projects.

The Economic Environment

The Zambian economy came under significant pressure in the first half of the financial year, stemming from the national debt burden, which was exacerbated by the impact of the coronavirus pandemic while the second half saw the country hold successful general elections which resulted in positive market sentiments and a positive economic outlook. The Zambian kwacha appreciated steeply in the last quarter, supported by foreign participation in the bond market and a higher copper price on the international commodity markets.

Despite recovery in the global economy, the Zambian economic recovery shall remain gradual, given the high debt burden, high inflation and a volatile currency.

Inflationary pressures, particularly food inflation, had resulted in a significant drop in our customers' disposable income and has continued to put pressure on the consumers' share of wallet going towards food spend. Inflation for the financial year under review closed at 22.1% compared to 15.7% for the previous financial year.

Divisional Performance Review

Retail and Cold Chain Food Products

The Group continued to focus on revenue optimisation, asset utilisation and cost control as pillars to drive profitability in the combined retail and cold chain food products divisions. Revenue grew by 30% with an operating profit of ZMW



216.4 Million.

Supply challenges experienced by the division and rising global food prices precipitated rising input costs. As a result, the division saw volumes decline across most protein categories.

The Poultry business remained a major source of profitable growth for the group. Management implemented measures to improve production efficiencies, which contributed to improved gross profit margins. Increased demand for eggs, broilers and therefore day-old chicks allowed for revenue growth and improved profitability.

Stockfeed

Volumes were flat compared to prior year during the period owing to slow growth and declines on major product lines. The shortage of day-old chicks on the market limited customers buying of broiler feed while an export ban imposed by government reduced export sales. The increase in the

world prices of GMO-free soya beans and imported materials negatively impacted cost of sales and therefore profitability.

Cropping

Zambia had a good summer rainfall season and as a result, yields for the summer crop were in line with expectations, with winter crop yields exceeding forecasts supported by better farming practices and reduced load-shedding. The country delivered a bumper maize harvest, which helped to stabilise maize prices.

Outlook

We anticipate macro-economic stability to continue over the medium term supported by improved investor sentiment, high copper prices and improved electricity supply. The kwacha is expected to maintain relative stability with minor volatility towards the end of the 2021 calendar year. The copper price, which is a major foreign exchange earner for the country, is expected to continue holding as the global economy

continues to recover from the Covid-19 related shocks. The inflation rate is expected to reduce following an expected summer crop bumper harvest from a forecasted *La Niña* weather pattern, the appreciation of the kwacha and restoration of global supply stability. The Covid-19 pandemic remains a threat to the country as the country's vaccination program continues to move at a slow pace.

The group remains committed to delivering value to shareholders and is well positioned to navigate the turmoil while capitalising on opportunities.

Strategy

During the year, the board embarked on a five-year strategy refresh process for the Group. Although it is difficult to look ahead with any certainty, I am happy to report that we now have a strategy in place that positions the Group to tackle the challenges ahead while capitalising on the opportunities presented and therefore maximise shareholder value. The strategy

CHAIRMAN'S REPORT (continued)

provides clarity in terms of where we want to go and what we want to do, having set realistic targets and mapped out a journey. The five year strategy will be underpinned by the following pillars:

- Focus and strengthen our core business by investing in production capacity and grow market share
- Divestiture of non-core assets to free up resources
- Develop a human capital strategy that aligns with business objectives
- Strengthen our strategic partnerships

Acknowledgement

On behalf of the Company and the board of directors, I would like to express my sincere gratitude to Dr Lawrence Sikutwa, Margaret

Mudenda, John Rabb, David Osborne and Professor Enala Mwase who resigned from the board in the first half of the year. Their dedication and contributions to the success of the business over the years will be greatly missed.

During the year, we welcomed Katebe Monica Musonda, Pearson Gowero and Roman Frenkel to our board of directors. Their industry experience and rich diverse backgrounds will be key in driving the business into the next phase of the Groups evolution as a regional food provider.

At senior management level, we said farewell to Danny Museteka who had been with the company for 22 years, his last role being company secretary. Danny played a vital role in helping to transform the company over the years, and I would like to thank him for his outstanding contribution. We welcomed Mwansa Mutimushi

who joined as group head of Legal & Company Secretary and Nyangu Kayamba who also joined as Human Resources executive. I believe it is a good addition to the dedicated team and that we have a good balance of skills and professionalism.

I also thank my fellow board members for steering the Group through this challenging period. To our management and staff, I express my gratitude to them for another solid performance, dedicated efforts and resilience in the face of challenges. I am proud of our achievements to date, and I am excited by the potential opportunities upon which we will build our future progress.



Michael Mundashi SC
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT



Overview

Despite the rising input costs and rising global food prices, and a difficult operating environment resulting from the 2020 economic and Covid-19 pandemic related uncertainties, the positive full year performance has been driven by sustained consumer demand for our products, cost reductions and efficiency improvements especially in the poultry business. The macroeconomic fundamentals remained relatively stable during the financial year in the context of the previous comparative year. The local currency depreciated at a much slower rate in the first half and experienced a steep appreciation in the second half of the financial year. Increased consumer spending stemming from the Covid-19 economic stimulus package resulted in increased demand for our products. The good rainfall season helped alleviate load shedding and therefore positively impacted on the

financial performance. The increase in raw material input costs, such as Soya and imported products, impacted on production costs. The resultant increase in food prices to our customers saw increased demand for more affordable offerings of our products as customers traded down.

The load shedding situation improved towards the end of the calendar year 2020 following good regional rains because of the *La Niña* weather pattern, resulting in reduced generator fuel expenditure and improved production efficiencies.

The Group delivered operating profit, including profit from asset held for sale, of ZMW299.3 million (USD14.1 million), equating to a growth of 42% in kwacha terms and 8% growth in US dollar terms, compared with ZMW212.1 million (USD13.1 million) in 2020. The operating profit excluding profit from asset held for sale was ZMW267.3million (USD12.6 million) compared to ZMW210.5 million (USD13.1 million) achieved in the previous financial year.

Our revenue, including from asset held for sale, was ZMW5.2 billion (USD244.1 million) and we achieved a gross profit of ZMW1.54 million (USD73.1 million), respectively 30.8% and 22.8% above the prior year in kwacha terms, and 0.5% and 0.1% growth in US dollar terms, respectively.

The Group's performance was driven by growth in the poultry and retail divisions. Management continued optimising top line growth through revenue management initiatives while the continued cost control measures helped deliver good operating profit performance.

The Group recorded exchange gains owing to the appreciation of

the local currency. Financing costs reduced following a reduction in debt and the appreciation of the local currency. Management took steps to restructure the company's debt profile by replacing USD debt with kwacha debt to match the debt profile to the revenue profile and thus reduce foreign exchange risk, which should help provide predictability to the bottom line going forward. The USD to ZMW debt mix now stands at 15%:85% compared to 80%:20% at the end of the previous financial year. The Group derived a significant benefit from the central bank's Covid-19 relief fund with favourable interest rates.

Our diversified and vertically integrated business with good brands, supportive partners and an experienced management team helped deliver encouraging results during a challenging year.

Strategic focus

Our strategic focus remains to optimise our asset utilisation and maximise returns. We remain committed to our strategy of focussing on our core businesses in which we strive to be the best in class. The continued deleveraging and divestiture of non-core assets will enable us to free up cash to invest into our core businesses and therefore maximise shareholder value.

Retail and Cold Chain Food Products (CCFP)

The year saw traditionally high-volume sales lines come under pressure amidst a high inflationary environment and reduced customer spending. Despite high demand in our key product lines, supply constraints negatively impacted volume growth. Revenue growth was mainly driven by pricing on traditional

CHIEF EXECUTIVE OFFICER'S REPORT (continued)

product categories and aided by sales volume growth of traded goods and affordable alternative food categories. Shoprite in-store butcheries were a source of revenue growth as they proved relatively more resilient to inflationary pressures.

Sales volumes came under pressure on the back of supply constraints due to constrained livestock producer profitability levels. Significant producer price increases were necessary during the period for livestock producers to increase output. The price increases that were necessary to stimulate supply resulted in customers moving towards more affordable protein offerings. The poultry division was a major contributor to revenue growth due to improved efficiencies and high demand for it as a relatively affordable protein source, in the form of chicken and eggs.

Despite the challenges, the Retail and Cold Chain Food Products business registered a healthy revenue growth of 30% above the prior year. Management employed a revenue optimisation strategy, responding quickly to the evolving volatile operating environment.

Retail and Cold Chain Food Products delivered an operating profit of ZMW 216.4 million in kwacha terms and USD10.3 million in dollar terms. Operational efficiency improvements and overhead spend discipline ensured translation of the top line growth to the bottom-line. Reduced load shedding helped reduce fuel costs of our electricity generators, which further contributed to the increased profitability, particularly in the second quarter.

Stockfeed

Revenue for the division was 31% above prior year mainly due to price, as volumes remained flat on prior year. The demand for poultry feed reduced following a day-old chick supply shortage across the market. An export ban on animal feed from Zambia resulted in a further slowdown of production volumes. However, fish feed continued to register exponential growth following the sector specific lifting of the fish feed export ban and government's efforts to make Zambia a regional player in the aquaculture sector. The depreciation of the kwacha to the USD and ZAR negatively impacted foreign currency denominated costs. The high soya beans prices also negatively impacted on the cost of sales.

Cropping

Revenue in USD terms increased by 10% due to a favourable winter crop price and sale of the soya summer crop. However, operating profit decreased in USD terms due to price increases in input costs. Zambia experienced a good rainfall season and the yield of the summer crop was in line with expectations with the yield of the winter crop exceeding expectations.

Outlook

The macroeconomic environment is expected to remain stable with indicators expected to adjust to a more favourable position. The successful holding of general elections on 12 August 2021 and the resultant change in government and peaceful transition has brought investor confidence and optimism. This triggered a sharp appreciation

of the kwacha as foreign interest in government securities intensified and foreign direct investment prospects improved. This coupled with high copper prices, a potential IMF deal and continued low load shedding levels due to another *La Niña* weather pattern this summer, has improved the country's economic outlook. We expect this to translate into a slowdown in inflation, reduced interest rates and thus increased economic activity and a restoration of macroeconomic stability.

Despite the macro-economic headwinds and uncertainty caused by the Covid-19 pandemic, Zambeef's underlying performance has been and is expected to remain resilient, improving as the economic situation improves. Our brands help us maintain customer loyalty while the vertically integrated business model helps to secure both supply and a market for our products. The future recovery in the economy and strong management have positioned us well for an improved profitability in the coming years.

Our deleveraging strategy and debt profile reorganisation will help relieve exchange losses and financing cost pressures to the bottom line, which will increase free cash flow to enable us to invest in the future.

We remain committed to implementing and enforcing Covid-19 protocols in our outlets while driving the vaccination of all our employees. We believe that a healthy, sustainable and profitable growth trend can only be achieved when we work together with our partners, communities and customers to curb infections through the observation and implementation of safety protocols.

Key Market Indicators

Reporting Period Monthly Averaged Comparatives		2021	2020	Change
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Economy

ROE ZMW/USD	ZMW	21.1	16.2	30%
Annual Inflation rate	%	22.1	15.7	41%
Copper	\$/Ton	9,041	6,610	37%

Commodities

Maize	\$/ton	150	252	-40%
Soya Beans	\$/ton	400	382	5%
SE Cake	\$/ton	416	403	3%
Wheat	\$/Ton	440	415	6%

Input Prices

Maize Bran	K/Ton	1,690	1,190	42%
Broiler Grower	K/50kg	367	310	18%
Pig Grower	K/50Kg	317	251	26%
Layer feed	K/50kg	273	231	18%
Day-old chick	K/DOC	11.0	6.8	62%

Selling Prices

Beef Mixed cut	K/Kg	44.4	37.7	18%
Chicken Frozen	K/Kg	34.6	28.2	23%
Chicken Live Market	K/Chicken	80	52	54%
Egg Tray	K/tray of 30 Eggs	48.8	35.6	37%

DIVISIONAL PERFORMANCE

Table 1 (ZMW) and Table 2 (USD) below provide a summary of the consolidated performance of the key business divisions reported at an operating profit level.

Table 1: Divisional financial summary in ZMW'000

ZMW	Revenue		Gross Profit		Overheads		Operating Profit	
Division	2021 ZMW'000	2020 ZMW'000	2021 ZMW'000	2020 ZMW'000	2021 ZMW'000	2020 ZMW'000	2021 ZMW'000	2020 ZMW'000
Total								
Retailing	2,906,466	2,396,313	271,261	243,377	(338,901)	(322,041)	(67,640)	(78,664)
CCFP	2,054,232	1,516,371	556,186	401,276	(272,126)	(213,054)	284,060	188,222
Less Interco	(1,705,769)	(1,399,926)						
Combined								
Retail & CCFP	3,254,929	2,512,758	827,447	644,653	(611,027)	(535,095)	216,420	109,558
Stock Feed	1,747,742	1,331,965	300,436	255,888	(153,716)	(129,539)	146,720	126,349
Cropping	754,385	651,560	272,254	266,405	(192,845)	(160,618)	79,409	105,787
Others	343,391	203,609	70,579	48,676	(31,985)	(23,450)	38,594	25,226
Total	6,100,447	4,699,892	1,470,716	1,215,622	(989,573)	(848,702)	481,143	366,920
Less: Intra/								
Inter Group Sales	(1,126,096)	(824,788)						
Central Overhead					(213,813)	(156,389)	(213,813)	(156,389)



Divisional performance (continued)



Group Total	4,974,351	3,875,104	1,470,716	1,215,622	(1,203,386)	(1,005,091)	267,330	210,531
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Table 2: Divisional financial summary in USD'000

USD	Revenue		Gross Profit		Overheads		Operating Profit	
Division	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000	2021 USD'000	2020 USD'000
Total								
Retailing	137,617	148,195	12,844	15,051	(16,046)	(19,916)	(3,203)	(4,865)
CCFP	97,265	93,777	26,335	24,816	(12,885)	(13,176)	13,450	11,640
Less Interco	(80,766)	(86,576)	-	-	-	-	-	-
Combined								
Retail & CCFP	154,116	155,396	39,178	39,867	(28,931)	(33,092)	10,247	6,775
Stock Feed	82,753	82,373	14,225	15,825	(7,278)	(8,011)	6,947	7,814
Cropping	35,719	40,294	12,891	16,475	(9,131)	(9,933)	3,760	6,542
Others	16,259	12,592	3,342	3,010	(1,514)	(1,450)	1,827	1,560
Total	288,847	290,655	69,636	75,178	(46,855)	(52,486)	22,781	22,691
Less: Intra/ Inter Group Sales	(53,319)	(51,007)						
Central Overhead					(10,124)	(9,672)	(10,124)	(9,672)
Group Total	235,528	239,648	69,636	75,178	(56,979)	(62,158)	12,658	13,020

Divisional performance Summary (continued)

Taking the performance of each of our key business areas in turn:

Retail and Cold Chain Food Products

The combined Retail and Cold Chain Food Products divisions generated an EBIT margin of 6.7% which increased by 229 basis points from the previous financial year to ZMW 216.4 million (2020: ZMW 109.6 million) in kwacha terms and grew impressively by 51.2% to USD 10.3 million (2020: USD 6.7 million) in dollar terms.

The performance was underpinned by revenue optimisation and cost control in Poultry products supported by increased demand given the relative affordability of Chicken and Egg as a source of protein. Cost pressure arising from supply constraints negatively impacted on the profitability in Pork, Beef and Milk.

West Africa Retail

Our Nigerian business was impacted by the sporadic protests related to the Shoprite announcement of the intention to pull out of the Nigeria market and the EndSARS protests. In addition, the business experienced supply challenges across its major product lines. Despite all these challenges, revenue increased by 14% to USD 15.4 million (2020: USD 13.5 million) mainly due to pricing and exchange translational effects with dollar revenue increasing by 14%. However, operating profit declined by 52% in dollar terms due to rising costs of inputs.

Stockfeed

Sales volumes were flat on prior year mainly due to declines on key volume categories. Shortage of day-old chicks slowed the growth of broiler feed while an export ban impacted export sales.



Revenue grew by 31% in kwacha terms and 0.5% in USD terms, while the operating profit grew by 16% to ZMW 146.7 million (2020: ZMW 126 million) or declined by 11% to USD 6.9 million (2020: USD 7.8 million) in dollar terms. Production costs was impacted by rising costs of inputs, particularly the Soya and imported raw materials.

Cropping

The Cropping business is key to Zambeef, providing raw material inputs for value added processing within the Group and serving as a currency hedge by being able to generate USD cash flow.

Revenue increased by 10% in USD terms to USD 44.3 million including from asset held for sale (2020: USD 40.3 million) which translated to a 43.4% growth in revenue to ZMW 935.9 million (2020: ZMW 651.5 million) when analysed in kwacha terms. Gross profit increased by 30% to ZMW 345 million compared to the previous corresponding period (2020: ZMW 266 million) in kwacha terms despite a 1% reduction in USD terms to USD 16.3 million (2020: USD 16.5 million). The division observed an increase in overheads of 47% in kwacha terms and 12.7% in USD as a result of increments in repair and maintenance costs during the period under review.

Zambia experienced a good rainfall season and the summer harvest is expected to be in line with expectations. However, the price of maize is expected to be lower than the prior year following the expected bumper harvest predicted for Zambia.

Other businesses

Total revenue from the Group's other business units increased by 68.7% to ZMW 343 million (2020: ZMW 203.6 million) mainly due to growth in both the milling and leather to shoe businesses. This translated to gross profit growth of 45% in kwacha terms due to cost pressures in Milling arising from the increase in price of wheat in kwacha terms following the depreciation of the currency.

The leather to shoe business turnaround strategy paid off as the division saw an increase in demand for its products, particularly school shoes, following the opening of schools after Covid-19 related closures. Management focus has been to optimise production efficiencies, control overhead costs, innovation and look for new market opportunities for its products.

Walter Roodt
Chief Executive Officer

30 November 2021

ZAMBEEF

Feeding The Nation



Mabisi
Lactis

Zambieff



Feeding the Nation
ZAMBEEF
Be Proud. Buy Zamb.
ZAMBEEF
Products Plc.

Sustainability Report

Zambeef is committed to a sustainable 'triple bottom line' approach to its operations in order to help deliver a positive economic, social, and environmental impact. We believe that economic sustainability is not simply our traditional corporate capital, but is also a measure of how the business impacts on the economic environment, underpinned by our commitment to environmental and social sustainability.

Zambeef is committed to provide a safe and healthy workplace for its employees and contractors, protecting the environment and being a responsible corporate citizen in the communities where we have a presence. This commitment is enshrined in our Environmental & Social and Health, Safety & Welfare Policies.

Zambeef has committed to upholding the principles set out in the International Finance Corporation (IFC) Performance Standards (PS) and World Bank Group Environmental, Health, and Safety Guidelines on environmental and social sustainability.

The Board of Directors provides oversight through its Environmental and Social Committee. Through this Committee, the Board provides strategic advice and guidance regarding systemic and strategic environmental and social issues. The Committee ensures that the Company has adequate and robust systems in place for monitoring the environmental, health & safety and social management and performance, in accordance with applicable legislation and good International Industry Practice.

Zambeef has an environmental and social action plan (ESAP) that has been agreed on with its international development finance partners to help ensure continuous performance improvement at the corporate and operational level.

The Company has dedicated a separate central department, of ten employees, to environmental and social compliance and improvements in operational Divisions. In addition to the environmental and social department, there are twenty-nine employees dedicated to environmental and social activities at an operational level.

Economic performance

Zambeef is a significant contributor to the country's economic activities.

Employment

- ✓ Zambeef continues to be one of the largest employers in the country, with 6,795 staff, 14.33 % of who are females.
- ✓ Three of the five members of the Executive Team are female.
- ✓ Over 99.5% of employees are Zambian.
- ✓ The Group's cropping division provides significant employment to rural communities, where poverty levels are higher than in urban areas.
- ✓ Most of Zambeef's raw material suppliers are located and provide employment to communities in rural areas.

Taxes

The Group is a significant contributor to government revenues. In the year under review, it contributed in excess of ZMW190m in various taxes which include:-

- ✓ Value Added Tax
- ✓ Pay As You Earn
- ✓ Customs Duties
- ✓ Property Transfer Tax
- ✓ NAPSA
- ✓ Workers Compensation

Local capital markets

- ✓ A significant percentage of the Group's shareholding (8.13%) is owned by local institutional investors and pension funds, including the National Pension Scheme Authority which means every working Zambian has a stake in the company.

Export earnings

- ✓ The Group is a member of the Zambia Development Agency's elite Million Dollar Club of leading exporters.
- ✓ For the FYE 30 September 2021, the Group recorded foreign exchange export income of over USD1.7 Million, while total Group USD-denominated revenues were USD 235.5 Million.

Skills development

- ✓ The Group is fully committed to developing and training its employees at all levels.
- ✓ Specific and specialised training in food safety, occupational health and safety, safe handling of hazardous materials is offered to employees.
- ✓ The Group's continual reinvestment in human resources and a deliberate focus on diversity and inclusion has resulted in many senior positions being held by Zambian females.

Food security

- ✓ Zambeef plays a pivotal role in the national food security of Zambia, ensuring that the country has sufficient capacity to feed its growing population as well as a surplus for export to help feed neighbouring countries. The company produced over 104,743 metric tons of grains (43,318 tons of

Social performance

Zambeef continues to align its social investments to the United Nations Sustainable Development Goals.



We work closely with small and medium scale farmers;

- They supply in beef, chicken, pork and milk raw materials to our Cold Chain Food Divisions
- They supply soya beans and maize to our stockfeed operations



- We render support to the vulnerable (hospices, hospitals, orphanages and care homes) through donation of food products produced by the company



- We fund and support public healthcare institutions and company owned medical clinics



- The company supports community/government schools located within the communities in which it operates
- The company has constructed new class room blocks and rehabilitated public-school infrastructure

wheat, 36,471 tons of soya beans and 24,954 tons of maize) in the year under review.

- ✓ The company also produced 31,272 tons of maize silage and 3,790 tons of rhodes grass for its livestock.
- ✓ 8.26 million broiler chickens were processed.
- ✓ 55.60 million eggs were produced in the financial year.
- ✓ 19.22-million-day old broiler chicks were produced from the hatchery.
- ✓ 65,184 beef cattle, 35,103 goats and 462 sheep were processed during the year.

- ✓ 45,692 pigs were processed during the year.

Food Quality and Safety

The company continued making progress in the improvement of the quality and safety of foods it manufactures and offers for sale to the public.

Customer Care Feedback: The dedicated customer phone care line and email service have been widely publicised, on product packaging and also in trading premises. Giving our customers opportunities to engage with the business is an important component of our stakeholder management program.

We receive valuable feedback about our products and quality of service, and that helps us to improve both the products and services we offer.

In FY19, 419 customers used these feedback platforms to contact the business; the number increased to 778 in FY20, and was at 853 by the end of FY21. This progression shows that customers are finding the engagement process a useful tool for communicating with the business.

Food Safety Management System (FSMS): The FSMS ensures that the business has a continuous improvement program on the quality and safety of the food it produces

Sustainability Report (continued)

and offers for sale to the public.

In the year under review, the Chicken Processing Plant, Dairy Processing Plant and Masterpork Factory obtained ISO 22000 certification; this was in addition to the already certified the Novatek Feeds Lusaka Plant which was certified in 2015. The Novatek Plant in Mpongwe has undergone a Stage 2 Audit and should receive certification by the second quarter of FY22.

Focus in the new financial year is on the ISO 22,000 certification of the Flour Mill, Zamhatch, Beef processing operation. We continue the implementation of a Hazard Analysis Critical Control Point certification scheme in our Retailing Division. The ambition of the Group is to have the entire internal food supply chain to be fully certified in the near future.

Inclusive business model: Zambeef operates an inclusive and all-embracing business model, consequently, it continues to source the bulk of its raw materials from rural communities in Zambia. 100% of the beef processed and 83% of the pork handled by Masterpork was sourced and supplied from small-scale and emerging farmers. We engaged out-growers, who supply 65% of the broiler chickens processed by Zamchick. 92% of the maize and 54% of the soya beans used at Novatek Animal Feeds were externally supplied, predominantly by small-scale rural farmers.

We believe that a strong linkage to rural based suppliers helps fight poverty in these otherwise 'economically excluded' communities, meeting the aspirations of UN SDG 1, of 'ending poverty in all its forms everywhere'.

In the FY under review, the company bought grain and livestock from 52,930 emerging, small-scale and



medium-scale farmers across the country.

Community engagement: Zambeef continues engaging with neighbouring communities in the areas where we operate. Consultations are held on a regular basis and every time developmental projects are initiated at company sites. Zambeef fully complies with good international industry practice in all its land related engagements.

Support to vulnerable communities/groups through foodstuff donations: The company renders support to the vulnerable (hospices, hospitals, orphanages and care homes) through donations of foodstuffs. There are currently 22 institutions hosting vulnerable people which the company supports through the food supply program. A total of US\$250,000 was budgeted for this support in the FY under review. This gesture by the company aligns strongly with UN SDG 2, whose main aspiration is to 'end hunger, achieve food security and improved nutrition'

Additional support, in response to the Covid-19 pandemic, was rendered to local authorities, public schools and neighbouring communities. The support was mostly in the form of hygiene stations, sanitiser and awareness programs.

Support to educational and healthcare institutions: Zambeef continues to fund educational and healthcare institutions in addition to Mpongwe School and medical clinic, wholly owned by the company and whose teachers, teaching aids, healthcare workers, equipment and facilities are fully funded by the company. In the year under review, the Mpongwe expenses amounted to US\$175,000.

The company also supports community and government schools and healthcare institutions located in the areas where it operates.

These company activities align with UN SDG 3 and 4, whose aspirations are to 'ensure healthy lives and promote well-being for all at all ages' and 'ensure inclusive and equitable quality education and promote lifelong learning opportunities for all', respectively.

Zambeef also supports a number of traditional ceremonies and sporting activities across the country.

Environmental performance

Zambeef continues to work towards good international industry practice by implementing a process of continual improvement in environmental and social management.

During the FY under review, the company submitted four Environmental

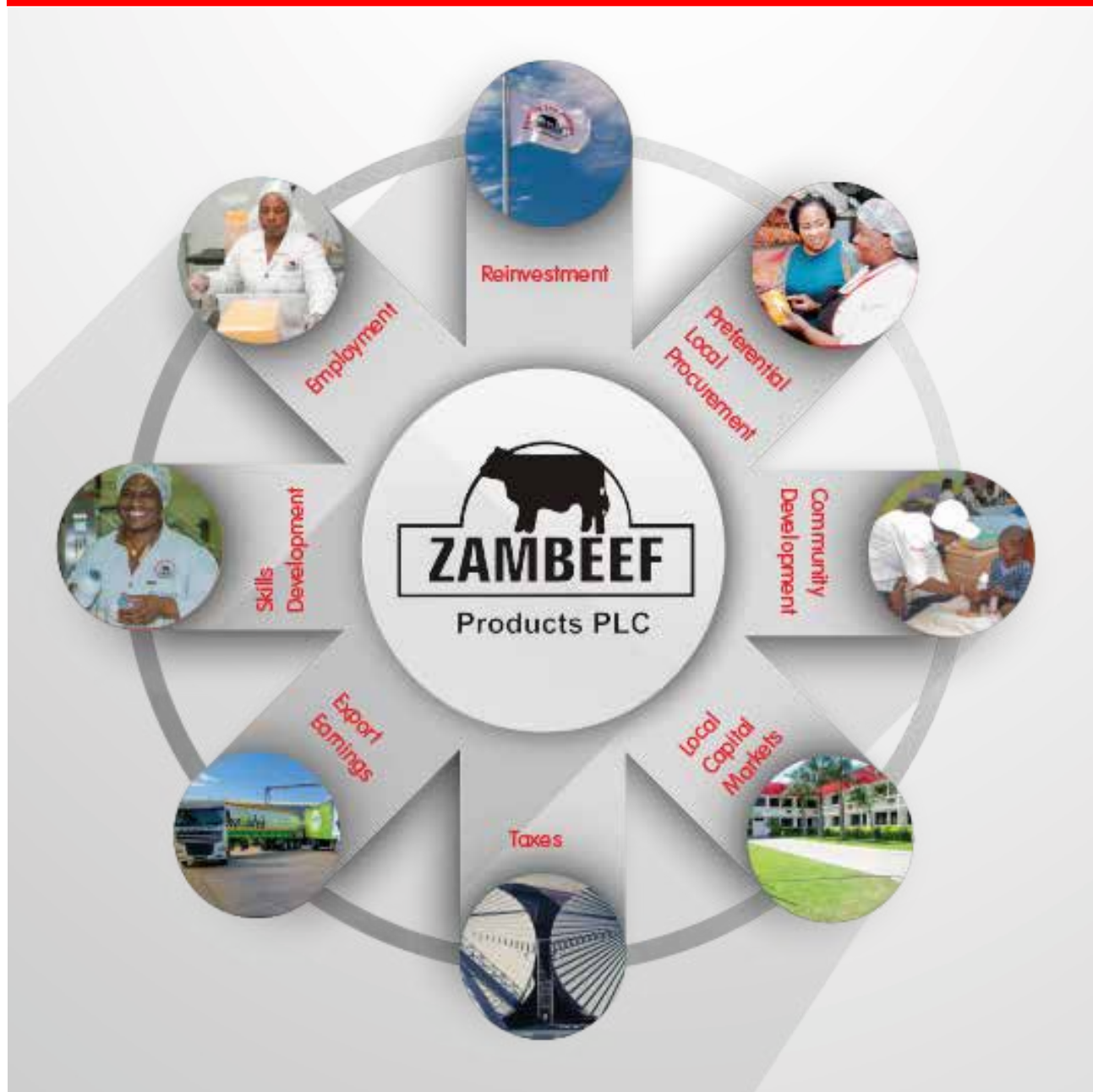
Sustainability Report (continued)

Project Briefs (EPB) to the Zambia Environmental Management Agency (ZEMA) as governed by Statutory Instrument No. 28 of 1997 'Environmental Impact Assessments Regulations' read together with the Environmental Management Act (EMA) No. 12 of 2011. This practice also fulfils the requirements of IFC PS 1: "Assessment and Management of Environmental and Social Risks and Impacts."

The under-listed projects were approved by the ZEMA Board;

1. Establishment of a composting site at Kalundu Dairy Farm in Chisamba District, Central Province.
2. Construction of one new agro-chemical storage facility at Kampemba Farm in Mpongwe District of the Copperbelt Province.
3. Installation of 25,000 litre above ground diesel tank at Kitwe Processing, Copperbelt Province.
4. Installation of three 22,500 litre above ground diesel tanks at Sinazongwe Feedlot in Sinazongwe District of Southern Province.

BUILDING A NATION







**Corporate
Governance**

CORPORATE GOVERNANCE STATEMENT



Zambeef Products Plc (“Zambeef” or the “Company”) remains committed to maintaining, promoting and achieving the highest standards of corporate governance and corporate citizenship by adhering to the relevant codes of best practice, and the principles of fairness, accountability, responsibility, transparency and integrity.

The company strives for continuous improvement, recognising that the achievement of a long-term sustainable business is dependent on stable, well-functioning and well-governed environmental, social, economic and governance practices.

The Board has developed a Corporate Governance Code that complies with the Lusaka Securities Exchange (LuSE) Corporate Governance Code. Further, the Company has formally adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (“QCA Code”) on a ‘comply or explain’ basis, as required by the AIM Rules for Companies.

FRAMEWORK

As a company listed on exchanges in Lusaka and London, we are required to comply with LuSE and UK specific corporate governance codes. The UK Corporate Governance Code

does not apply to companies floated on the AIM of the London Stock Exchange, the market on which Zambeef is listed. For the purposes of being listed on AIM, the Company has agreed to maintain standards of corporate governance recommended by AIM. In this regard, and bearing in mind the size and scale of the operations of the Company, the Company has adopted the QCA Code as the basis of its corporate governance standards.

On LuSE, Zambeef Products Plc. has established a formal governance framework by way of adopting the LuSE code as well as comprehensive company policies and guidelines, audit and assurance procedures which ensure compliance with applicable laws and regulation as well as recognized codes of good practice.

This report therefore aims to provide an overview of the Company’s governance practices. It is comprehensive, albeit to avoid duplicity of information, the other relevant information will be contained in the other reports and financial statements that form part of the Annual Report for the year.

CORPORATE GOVERNANCE IN ACTION

The Company’s corporate governance practices are put together in the Corporate Governance Handbook that is subject to review by the Board from time to time. The last such review was in September 2021. The Handbook addresses the various areas of governance and covers the following aspects:

- Share Dealing Code
- Disclosure Policy
- AIM Rules Compliance Policy
- LuSE Listing Rules Compliance Policy
- Anti-Corruption and Bribery Policy including Incident reporting and whistleblowing
- Social Media Policy

- Related Party Transactions Policy
- Delegation of Authority
- Board Charter
- Terms of Reference for the Remuneration and Succession Committee
- Terms of Reference for the Audit and Risk Committee
- Terms of Reference for the Environmental and Social Committee
- Memorandum on Inside Information and;
- Group Code of Ethics

THE BOARD OF DIRECTORS

The Company has a unitary board of directors, which at the start of the year under review, comprised 11 directors but later reduced to 9, retaining a number within that required per its Articles of Association, yet balancing the requisite business acumen and skills pertinent to the business. Of the 9 Directors, 7 are Non-Executive Directors, and 2 are Executive Directors. 5 Non-Executive Directors are considered independent by the Board, in terms of the guidelines prescribed in the QCA Code and the LuSE Corporate Governance Listing Rules.

The Board is responsible for the performance and direction of the Company, through the establishment of strategic objectives and key policies, as well as approving major business decisions, in accordance with its charter.

The Board believes that its overall composition is appropriate, with no individual or group dominating the decision-making process, and with a good balance of knowledge, experience and independence. The role of the Chairman is separate from that of the Chief Executive Officer (CEO) and considered to be independent.

New appointments to the board are carried out in a transparent

Corporate Governance (continued)

manner and are made in accordance with the recommendations of the Remuneration and Succession Committee and, following approval of the board, are subject to confirmation by shareholders at the Annual General Meeting.

Details of the current Directors, their roles and background are available on the Company's website at www.zambeefplc.com.

RESPONSIBILITIES OF THE BOARD

The Board responsibilities are set out by a Board Charter, which requires that there is an appropriate balance of power and authority on the board. The Board Charter was reviewed during the year under review, the board satisfied its responsibilities in compliance therewith. The Board is responsible for the overall stewardship of the Company. The Board's role consists of two fundamental elements: decision-making and oversight.

The decision-making function is exercised through the formulation with management of fundamental policies and strategic goals and the approval of certain significant actions. The oversight function concerns the review of management decisions, the adequacy of systems and controls and the implementation of policies. In performing its role, the Board makes major policy decisions, participates in strategic planning, delegates to management authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness.

Principles of good governance are embedded in the way the Board; its sub-committee and the executive committee operates their business. The Board applies integrity, principles of good governance and accountability throughout its activities and each director brings independence of character and judgment to their role.

CHAIRMAN AND CEO ROLES

The roles of the Chairman and CEO are performed by separate persons, with the Chairman being responsible for;

- Providing leadership to the Board in relation to all Board Matters;
- Representing the views of the Board to the public;
- Acting as a conduit between the Board and being the primary point of contact between the Board and the Chief Executive Officer;
- Overseeing the Board agenda and conducting all Board meetings;
- Overseeing and conducting Annual General Meeting (AGM) and other shareholder meetings and;
- Keeping the Board informed of all major project proposals by way of specific reports;

The Board Composition

Director	Title	Date of Appointment
Michael Mundashi SC	Chairman	04/09/2019
Walter Roodt	Executive Director (CEO)	29/03/2019
Frank Braeken	Non-Executive Director	30/06/2018
Roman Frenkel	Non-Executive Director	01/03/2021
Pearson Gowero	Independent Non-Executive Director	01/03/2021
Yollard Kachinda	Independent Non-Executive Director	18/04/2017
Jonathan Kirby	Independent Non-executive Director	03/08/2017
Faith Mukutu	Executive Director	04/09/2019
Katebe Monica Musonda	Independent Non-Executive	01/03/2021

Corporate Governance (continued)

As at the date of the report, the Board comprised of 9 Directors, 7 are Non-Executive Directors, and 2 are Executive Directors. The seven Directors are considered by the company to be independent in character and judgement and free from any business or other relations that could materially interfere with the exercise of their judgement. Brief curricula vitae of the directors appear on 36-37 of this report.

The Board is satisfied that all the Directors have sufficient time to devote to their roles and that it is not placing undue reliance on key individuals.

MEETINGS OF THE BOARD

The board has four regular meetings each year and the company's Articles of Association makes provision for decisions to be taken between meetings by way of written resolutions, when required. During the year under review, four meetings were held and attendance was as shown by table below;

DIRECTORS' NAME	BOARD MEETING (25/11/20)	BOARD MEETING (15/02/2021)	BOARD MEETING (9/06/2021)	BOARD MEETING (15/09/21)	TOTAL MEETINGS ATTENDED	TOTAL MEETINGS HELD
M Mundashi SC	✓	✓	✓	✓	4	4
W Roodt	✓	✓	✓	✓	4	4
F Braeken	✓	✓	✓	✓	4	4
R Frenkel	BA	BA	✓	✓	2	4
P Gowero	BA	BA	✓	✓	2	4
Y Kachinda	✓	✓	✓	✓	4	4
J Kirby	✓	✓	✓	✓	4	4
M Mudenda	✓	✓	RS	RS	2	4
F Mukutu	✓	✓	✓	✓	4	4
K M Musonda	BA	BA	✓	✓	2	4
E Mwase	✓	✓	RS	RS	2	4
D Osborne	✓	✓	RS	RS	2	4
J Rabb	✓	✓	RS	RS	2	4
L Sikutwa	✓	RS	RS	RS	1	4

Key

✓ **Attended**

X **Absent**

BA **Before Appointment**

RS **Resigned**

Corporate Governance (continued)

BOARD COMMITTEES

To assist in exercising its responsibilities, the Board has established three committees:

- the Audit and Risk Committee
- the Remuneration and Succession Committee
- the Environmental and Social Governance Committee.

The board committees operate under approved mandates and terms of reference, which define their functions and responsibilities. Through the Company's management committee, management meets and serves to assist the board to co-ordinate, guide and monitor the management and performance of the Company. Following each meeting, the committee chair reports to the Board on the committee's activities, and makes such recommendations as are deemed appropriate in the circumstances. Minutes of committee meetings are made available to all directors on a timely basis. Non-executive directors actively participate in all committees.

1. Audit and Risk Committee

The Board approved the membership to the Audit Committee of the long

outstanding and independent advisor and co-opted member - Hastings Mtine in September 2021. (QCA Code principle 6: He has extensive experience as a Chartered Accountant in the fields of financial reporting, external audit, internal audit, corporate governance and risk management gained in public practice and on various corporate boards. He is a former Senior Partner for KPMG Zambia. He provides a detailed review and advisory service to the Audit Committee across each of these areas.

Responsibilities:

- The primary role of the Audit Committee is to ensure the integrity of the financial reporting and audit process, including review of the interim and annual financial statements before they are submitted to the board for final approval.
- To ensure that a sound risk management and internal control system is maintained and reviewing the system for monitoring compliance with applicable laws and regulations.
- To give due consideration and review of corporate governance matters in accordance with

relevant frameworks including the LuSE Corporate Governance Code and the QCA Code.

- Monitor and review the reports and function of the internal audit department, in line with its own charter, which requires systematic evaluation of the effectiveness of risk management, control, compliance and governance processes for the Group.
- Monitor and review the reports of the external auditors and their performance.
- At least once a year, the members of the committee should meet the external auditors without the presence of any Executive Director.
- The committee should also consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, as regards the appointment and/or reappointment of the company's external auditor.
- Monitor the ethical conduct of the Company, its executives and senior officials.

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	23/11/2020	16/02/2021	08/06/2021	14/09/2021
Jonathan Kirby/ Lawrence Sikutwa**	Chair: INED	✓ **	✓	✓	✓
Frank Braeken	NED	BA	✓	✓	✓
Pearson Gowero	INED	BA	BA	✓	✓
Roman Frenkel	NED	BA	BA	✓	✓
Hastings Mtine	Committee Member	BA	BA	BA	✓
Margaret Mudenda	INED	✓	✓	RS	RS
David Osborne	NED	✓	✓	RS	RS

Key

- ✓ Attendance
- BA Before Appointment
- ** Retired as Chairman of the Audit Committee on 31/12/2020
- RS Resigned

Corporate Governance (continued)

2. Remuneration and Succession Committee

The committee provided oversight over the remuneration and compensation for senior management to retain and motivate staff to perform at the level of the quality required. The committee is chaired by an independent non-executive director.

Chairman – John Rabb*/Katebe Monica Musonda** (John Rabb resigned from the Board on 28 February, 2021. Katebe Monica Musonda took over as Chair of the committee as of 1 March, 2021)

Members - Yollard Kachinda, Jonathan Kirby, Margaret Mudenda* and Frank Braeken.

(Margaret Mudenda resigned from the Board on 28 February, 2021)

Responsibilities:

- Regularly review the structure, size, knowledge, experience and diversity of the Board, as well as the sub-committees of the Board, and make recommendations to the Board with regard to changes.
- Responsible for identifying, evaluating and nominating, for the approval of the Board, candidates

to fill Board vacancies as and when they arise.

- Consider succession planning for Directors and other senior executive management, and in particular, for the key roles of Chairman and CEO of the Company. The appointment of CEO and directors can only be made following a formal, rigorous assessment by this committee and its formal recommendations being made to the Board, having also evaluated the balance of skills, knowledge, experience and diversity on the Board.
 - Determine and agree with the Board the framework or broad policy for the remuneration of the CEO, the Chairman of the Board, the Executive Directors, the Company Secretary, and such other members of the executive management of the Group to whom the Board has extended the remit of the committee.
 - Determining the remuneration policy by considering all factors which it deems necessary, including relevant legal and regulatory requirements,
- the provisions and recommendations of the QCA Code and associated guidance. The objective of such policy shall be to ensure that members of the Group executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.
- The committee ensures reporting of the Remuneration Committee's agreed fees and remuneration, for both the executive directors and non-executive directors, in the formal Report of the Directors in the Annual Report. This requires formal approval by the shareholders in an AGM. The Chairman ensures he is available to answer questions/comments put forward by the shareholders in the AGM regarding directors' fees and remuneration.
 - Perform evaluations of the Board, Board Committees (and their constituents), and recommend training where necessary.

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	CATERGORY OF DIRECTOR			
		23/11/2020	16/02/2021	08/06/2021	14/09/2021
Katebe Monica Musonda*/ John Rabb**	Chair: INED	✓ **	✓ **	✓ **	✓ **
Frank Braeken	INED	✓	✓	✓	✓
Yollard Kachinda	INED	✓	✓	✓	✓
Jonathan Kirby	NED	✓	✓	✓	✓
Margaret Mudenda	INED	✓	✓	RS	RS

Key

- ✓ Attendance
- BA Before Appointment
- * Current Chair of Committee (appointed 01/03/2021)
- ** Resigned from the Board by date of report
- RS Resigned

Corporate Governance (continued)

3. Environmental and Social Committee

Chairperson - Professor Enala Tembo- Mwase*/Pearson Gowero **

Members – John Rabb*, David Osborne*, Roman Frenkel**, Katebe Monica Musonda**, Yollard Kachinda

Responsibilities:

- Provide strategic advice and guidance to the Board in relation to systemic and strategic environmental and social (“E&S”) issues which affect the Company’s business model and strategy.
- Ensure that the Company has in place adequate and robust systems, policies and procedures for monitoring the E&S management of the Company, in accordance with applicable legislation and Good International Industry Practice (“GIIP”), defined by IFC Performance Standards.
- Monitor the implementation of the Environmental and Social Action Plan and any corrective action plans that may be developed in due course.
- Oversee any Company investigations relating to breaches of E&S laws, regulations and standards

and/or the Company’s E&S policies, management systems and plans.

- Ensure good corporate citizenship through promotion of equality, prevention of unfair discrimination and reduction of corruption.
- Ensure contribution to development of the communities in which its activities are predominantly conducted, or within which its products or services are predominantly marketed.

Retirement and Election of Directors

It is the Board’s policy that new directors are subject to confirmation at the first opportunity following their appointment. All Directors, excluding the Executive Directors are subject to retirement and re-election on a rotational basis with one-third of the board being re-elected annually.

Performance Evaluation of the Board

The Board carries out an annual self-assessment of its performance during the year, based on its Board Charter’s objectives, with the Company Secretary collating and reporting on the findings from each Board member.

Areas covered in the self-assessment include:

- Management of Board meetings and discussions;
- External and Internal Board relationships;
- Skills of Board members;
- Reaction to events;
- **Chairman;**
- Chairman and CEO relationships;
- Attendance and contribution in meetings;
- Open channels of communication;
- Risk and Control frameworks;
- **Composition;**
- Terms of Reference;
- Committees of the Board;
- Company Secretary;
- Timeliness of information;
- Board Agenda;
- AGM;
- External Stakeholders;
- Induction and training; and
- Succession planning.

The board will continue to implement necessary changes to enhance its performance.

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	CATERGORY OF DIRECTOR			
		23/11/2020	16/02/2021	08/06/2021	14/09/2021
Pearson Gowero*/Enala Mwase**	Chair: INED	✓ **	✓ **	✓ **	✓ **
Roman Frenkel	NED	BA	BA	✓	✓
Yollard Kachinda	INED	BA	BA	✓	✓
Katebe Monica Musonda	INED	BA	BA	✓	✓
John Rabb**	INED	✓	✓	RS	RS
David Osborne**	NED	✓	✓	RS	RS

Key

✓

Attendance

BA

Before Appointment

**

Retired as Chairman of the Committee on 28/02/2021

RS

Resigned

Corporate Governance (continued)

BOARD INDUCTION AND DEVELOPMENT

Newly appointed directors are taken through the Company's Articles of Association, the Board Charter, Codes of conduct, policies, listing regulations and applicable acts such as Companies Act and Securities Act. They follow a tailored induction programme facilitated by the Company Secretary which includes a scheduled trip to tour the operations.

COMPANY SECRETARY

The Company Secretary is responsible for implementing and sustaining high levels of corporate governance and keeps abreast of legislation, regulations and corporate governance developments which may impact on the business. All Directors have direct access to the Company Secretary.

STAFF DEVELOPMENT, TRAINING AND INFORMATION TECHNOLOGY

The Company is committed to staff development and training as this is a key ingredient to continued and improved operations.

The Company places emphasis on information technology as key in its strategy of delivering quality products which are the first choice of our customers and consumers.

STAKEHOLDER RELATIONS

Zambeef places considerable importance in maintaining active investor relations through open, fair and transparent communications. The Company ensures timely dissemination of information to its investors and other stakeholders through various media. A dedicated shareholders unit through the Transfer Secretaries is responsible for active interaction with the shareholders.

The Zambeef business model has identified and understands the importance of maintaining strong working relationships with;

- its key small-scale suppliers

across grains and livestock,

- its larger commercial raw material/input suppliers and livestock suppliers,
- its wide customer base across stockfeed, cold chain food products, and other products,
- its regulators such as Zambia Environmental Management Agency (ZEMA), Patents and Companies Registration Agency (PACRA), Water Resources Management Agency (WARMA), Lusaka Securities Exchange (LuSE), Securities and Exchange Commission (SEC), AIM Nominated Advisor;
- its financiers;
- social responsibility partners in communities.

In addition, Zambeef has shareholder meetings, formally through Annual General Meetings (AGM) and Extraordinary General Meetings (EGM), where required, and informally through half-yearly meetings with institutional shareholders. Shareholders' views are communicated in an open and frank manner, with senior management taking due note of their concerns when expressed. The Board believes that these engagements have proven successful, as shareholder views have fed into the current corporate strategy. The CEO and Chief Financial Officer (CFO) meet and conduct formal results presentations with shareholders on a half-yearly basis.

The Board considers the AGM key in providing shareholders with the opportunity to ask the Board and chairperson of the Audit committee questions concerning the affairs of the Company. Accordingly, all legal and regulatory requirements, notices and information are released well in advance to shareholders, regulators, stock exchange and Company websites. To this end, the Company ensures copies of the Annual Report and Accounts are made available well before the AGM as this ensures the shareholders have insight of the

business performance.

The Group publishes the outcome of all shareholder resolutions immediately after each AGM or EGM. Zambeef maintains all market announcements and Annual Reports on its website for the last 10 years.

Internally the Board and Management consider effective communication as being critical to the success of the business.

INTERNAL AUDITORS

The Company has an internal audit function designed to add value to the Company and improve operations.

The Internal Audit function provides an independent assurance service to the Board, the Audit and Risk Committee and management. The Internal audit function is formally defined via an Internal Audit charter and assists the Company to accomplish its objectives by bringing a systematic approach in the evaluation of the effectiveness of the governance, risk management and control processes that management has put into place. The head of the internal audit function attends the Audit and Risk Committee meetings and has unrestricted access to the chairperson of the committee.

PROCUREMENT

The Board requires competitive bidding for significant purchases and contracts, above determined thresholds, through a formal Board-approved Delegations of Authority policy that covers the Board and senior management.

EXTERNAL AUDITORS

External auditors are appointed by the shareholders and are subject to reappointment at the AGM. The current external auditors of the Company are Grant Thornton (GT).

The Company together with external auditors ensures that quality and independent audits are undertaken through regular and systematic audit planning and also rotation of client staff engaged on the audits.

Corporate Governance (continued)

ORGANISATIONAL INTEGRITY

In its continued efforts to foster integrity within the organisation, the Company continues to enforce the Group Code of Ethics policy and encourages all employees to make a declaration of their assets and/or business involvements' every year.

Employees are also encouraged to declare all the gifts received in the course of employment by way of a gift register, maintained by the Company Secretary.

INTERNAL CONTROL

The control systems are designed to safeguard the Company's assets, maintain proper accounting records and ensure the reliability of management and financial information produced by the Company. Control systems are based on established Zambeef group policies and procedures and are implemented by trained personnel, with an appropriate segregation of duties.

The effectiveness of these internal controls and systems is monitored by the internal audit department, with the aid of self-assessment audit checklists. Management is also in the transitional process of reporting Internal Controls over Financial Reporting as prescribed by the Zambian Securities and Exchange Commission. The independent external auditors, through the audit work they perform, confirm that the abovementioned monitoring procedures are being applied effectively.

Nothing has come to the attention of the Directors or the independent external auditors to indicate that any material breakdown in the functioning of abovementioned internal controls and systems has occurred during the year under review.

ETHICS

The Company's fundamental policy is to conduct its business with honesty and integrity and in accordance with the highest legal

and ethical standards. The Company has a Code of Conduct and Business Practices, determining the minimum standards required of all staff, which is disseminated throughout the Company.

The Company has implemented, and widely disseminated to all stakeholders (including suppliers), a Group Code of Ethics and Conduct.

INCIDENT REPORTING, ANTI-BRIBERY AND CORRUPTION AND WHISTLEBLOWING POLICIES AND PROCEDURES

The Company has detailed policies and procedures covering Incident Reporting, Anti-Bribery and Corruption (ABC) and Whistleblowing.

The Group's ABC program has been formulated in conjunction with CDC Group PLC (CDC), following best international practice. It is well structured, documented and rigorously monitored.

There is a dedicated internal Whistleblowing Manager, managing reports and complaints. These complaints can be made in various forms, and anonymously, without fear of adverse consequences. This policy has active senior management encouragement and is widely communicated within the Group, with a verifiable and transparent process of handling complaints. This has resulted in valuable information being obtained for further action.

Internal Audit closely monitors, reviews and reports on all of these policies to the Audit and Risk Committee of the Board.

LEGAL COMPLIANCE

The Board requires management to submit an annual declaration confirming that the Company's operations complied with relevant laws and regulations. In addition, the Company complies with local legislation. The Company has recourse to the group Company Secretary and external legal advice on matters of legal compliance.

INSIDER TRADING

Directors and officers of the Company who have access to unpublished, price sensitive information, in respect of the Company, are prohibited from dealing in the shares of the Company, during defined restricted periods, including those periods immediately prior to the announcement of interim and final financial results. These regulations are clearly stipulated in the Share Dealing Code section of the Corporate Governance manual.

SHARE DEALING

The Company has adopted a share-dealing code for dealings in shares by Directors and senior employees appropriate for an AIM-listed company. The Directors ensure that they comply with Rule 21 of the AIM rules for Companies relating to Directors' dealings and take all reasonable steps to ensure compliance by the Company's relevant employees, including obtaining the advice of its AIM Nominated Advisor. In compliance with the Market Abuse Regulation (MAR), the Chairman of the Board is responsible for share dealings by the Directors, assisted by the Company Secretary as the Compliance Officer.

Directors' Interests in other companies

In compliance with Section 110 of the Companies Act of Zambia, all Directors are required to declare to the Board their interests in other companies, and this is considered if any such company enters into any contract with any Group company. The Group has a Related-Parties Transactions policy which aims to ensure transparency in related-party transactions and appropriate management of any approved transactions.

RELATED-PARTY TRANSACTIONS

The Board gives authorisation for any transactions carried out by the group with any anyone or business considered a related party. Such transactions are evaluated as to

Corporate Governance (continued)

whether the parties are treated fairly and in accordance with market conditions. For recurrent transactions carried out with clients during the Groups' ordinary course of business under normal market conditions that are not significant, the Board gives prior authorisation for the general terms of the transaction.

DIRECTORS' SHAREHOLDINGS

In compliance with Sections 30, 110 and 195 of the Companies Act of Zambia, all Directors are required to disclose their shareholdings in the Company and any related companies.

MARKET DISCLOSURE

The Company prepares trading statements, interim and final results as required by the AIM, the LuSE and SEC rules and also prepares a detailed narrative statement to accompany the results. Company results are disseminated widely through the newswires and our own distribution lists.

COMPLIANCE STATUS OF LuSE CORPORATE GOVERNANCE RULES

ZAMBEEF COMPLIANCE SCHEDULE										
Category	Total Rules	Applicable	Non-Applicable	Full Compliance	Partial Compliance	Non-Compliance	%N/A	%FC	%PC	%NC
General Matters	15	15	-	15	-	-	-	100	-	-
Chairman and CEO*	5	-	-	-	-	-	-	-	-	-
Executive and NEDs	4	4	-	4	-	-	-	100	-	-
Directors' Compensation	9	9	-	9	-	-	-	100	-	-
Share & Share dealings	4	4	-	4	-	-	-	100	-	-
Board meetings	4	4	-	4	-	-	-	100	-	-
Board evaluations**	1	1	-	-	-	1	-	0	-	-
Company Secretary	4	4	-	4	-	-	-	100	-	-
Board committees	10	10	-	10	-	-	-	100	-	-
Legal and compliance	2	2	-	2	-	-	-	100	-	-
External audit	7	7	-	7	-	-	-	100	-	-
Internal audit	12	12	-	12	-	-	-	100	-	-
Risk	7	7	-	7	-	-	-	100	-	-
Integrated sustainability reporting	7	7	-	7	-	-	-	100	-	-
Disclosure and Stakeholder Reporting	4	4	-	4	-	-	-	100	-	-
Organisation integrity	6	6	-	6	-	-	-	100	-	-
	101	100	1	99	0	1	1	99	-	-

Summary of areas that are not fully compliant or inapplicable

Areas not applicable

* Chairman and CEO performed by separate persons

**Board Evaluation: following the changes in the composition of the board as explained in the chairman's statement it was not prudent to evaluate the performance of the board as a whole on account of the new directors.



Board of Directors



Michael Mundashi SC (age 63)
Chairman Nationality: Zambian

Qualifications:

Bachelor of Laws Degree (University of Zambia); Post Graduate qualification as an Advocate of the High Court of Zambia.

Experience:

Over 30 years post qualification experience in both the public and private sectors. Served as Chairman of the Zambian Tax Appeals Court and as Independent Non- Executive Chairman of Standard Chartered Bank Zambia Plc.

External appointments Currently serving as Chairman of Sanlam Insurance; Director of Nico General Insurance. Also, full time Managing Partner of the law firm of Mulenga Mundashi Legal Practitioners.



Walter Roodt (age 45)
CEO
Nationality: Namibian

Qualifications:

BSc. (Agric.) Animal Science (University of Pretoria, RSA); MSc. (Agric.) Nutrition Science (University of Pretoria, RSA); Senior Executive Programme (London Business School, UK).

Experience:

Over 15 years of experience in Agriculture in Southern Africa.

External appointments: Director of City Dental Ltd.



Faith Mukutu (age 41)
Chief Financial Officer
Nationality: Zambian

Qualifications:

A.C.C.A. (Chartered Certified Accountant) – Zambia Centre for Accountancy Studies, Zambia; Certified Accounting Technician – Zambia Centre for Accountancy Studies, Zambia

Experience:

Over 15 years' experience in senior finance positions of major corporates, including Zambia Sugar Plc and Zambian Breweries (part of SABMiller Group).

External appointments

Current directorships include Bayport Financial Services Ltd, Good Nature Agro, & Zayohub Zambia Ltd.



Katebe Monica Musonda (46)
Non-Executive Director
Chair Remco
Director
Nationality: Zambian

Qualifications:

LL. B (UNZA); LL.M (Corporate Law & Finance – London) Executive Management Programme (Harvard Kennedy).

Experience:

Over 15 years PQE, Debt & Equity Capital Markets & Project Finance; 9 years in FMCG having founded Java Foods Previously worked as General Counsel to the Dangote Group.

External Appointments

Independent Non-Executive Chair Airtel Networks Plc & Zambian Breweries Plc Non-Executive Director Arcelor Mittal South Africa Plc, Mixta Nigeria, Dangote Cement Zambia Founder & CE Java Foods.



Yollard Kachinda (age 58)
Non-Executive Director
Nationality: Zambian

Qualifications:

BSc (Ed.) Mathematics and Statistics (University of Zambia)
MSc Social Protection Financing (Maastricht University, Netherlands).

Experience:

Over 25 years' experience at the Zambian National Pension Scheme Authority (NAPSA).

External appointments

Director General of NAPSA. Currently serving on the Board of Directors of ZCCM-IH Plc.



Jonathan Kirby (age 59)
Non-Executive Director
Nationality: South African

Qualifications

Bachelor of Accounting (University of the Witwatersrand, RSA)
Higher Diploma in Tax Law (Rand Afrikaans University, RSA) CA (RSA).

Experience:

Over 30 years' business management and Finance in London, Hong Kong, Singapore and South Africa.
Previously Vice President (Finance) of AB Inbev Africa and CFO of SABMiller Africa.

External appointments

Currently on the board of Delta Corporation, Zimbabwe, Consol Holdings (Pty) Ltd, South Africa, Cavlier Food (Pty) Ltd, South Africa and McWade Productions (Pty) Ltd, South Africa.



Frank Braeken (age 61)
Non-Executive Director
Nationality: Belgian

Qualifications:

MBA in Finance (Leuven University, Belgium)
Degree in Law with major in Corporate Law (Catholic University Lueven, Belgium) Advanced Management Program (Wharton Penn University, USA).

Experience:

Over 30 years of experience in the Fast-Moving Consumer Goods. Previously head of Unilever Africa and Chief Investment officer of Amatheon Agri Holding.

External appointments

Currently serving on the boards of Buhler AG, Alliance for a Green Revolution in Africa, F.M.B BWC-LLC, Marie Stopes International and AECF Limited.



Roman Frenkel (age 41)
Non-Executive Director
Nationality: British

Qualifications

Durham University MEng Mechanical Engineering; ACA (ICAEW).

Experience:

Over 10 years' investment experience in private equity in emerging markets. Previously Investment Director at Ethemba Capital LLP, emerging markets private equity fund based in London. Previously investment banker at Merrill Lynch in London and transaction services and audit professional at KPMG in London.

External appointments

Currently Director, Food & Agriculture, Direct Private Equity at CDC Group PLC in London.



Pearson Gwero (age 63)
Non-Executive Director
Nationality: Zimbabwe

Qualifications:

BSc (Economics) Hons (University of Zimbabwe)
MBL (University of South Africa).

Experience:

Nearly 40 years experience in business management including Retail and Fast-Moving Consumer Goods. Former Managing Director of Zambian Breweries PLC and recently retired as Chief Executive Officer of Delta Corporation Limited (Zimbabwe).

External appointments

Has previously served as a Director on several boards and is currently a Director of both SeedCo Zimbabwe Limited and SeedCo International Limited. He is a member of the National Council of the Confederation of Zimbabwe Industries.

REPORT OF THE DIRECTORS

In compliance with Section 275 of the Zambian Companies Act, the Directors submit their report on the activities of the Group for the year ended 30 September 2021.

1. Principal activities

Zambeef Products PLC and its subsidiaries (“The Group”) is one of the largest agri-businesses in Zambia. The Group is principally involved in the production, processing, distribution and retailing of beef, chicken, pork, milk, dairy products, eggs, edible oils, stock feed and flour. The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 7,971 Ha of row crops under irrigation and 8,623 Ha of rain-fed/dry-land crops available for planting each year. The Group also has operations in West Africa in Nigeria and Ghana.

2. The Company

The Company, Zambeef Products Plc, is a public limited company incorporated and domiciled in Zambia.

Business address	Postal address
Plot 4970, Manda Road Industrial Area Lusaka ZAMBIA	Private Bag 17 Woodlands Lusaka ZAMBIA

3. Share capital

Details of the Company’s authorised and issued share capital are as follows:

	30 September 2021		30 September 2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Authorised				
700,000,000 ordinary shares of ZMW0.01 each	7,000	938	7,000	938
Issued and fully paid				
Ordinary shares				
300,579,630 of ZMW0.01 each	3,006	449	3,006	449
Preference shares – Convertible Redeemable				
100,057,658 of ZMW0.01 each	1,000	100	1,000	100

4. Results

The Group’s results are as follows:

Group	Notes	2021		2020	
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Revenue	5	4,974,351	235,528	3,875,104	239,648
Profit/(loss) before taxation		203,971	9,658	(22,673)	(1,402)
Taxation charge	10	(35,148)	(1,664)	(112,957)	(6,986)
Profit/ (loss) from discontinued operation		-	-	33,435	2,068
Group profit/(loss) for the year		168,823	7,995	(102,195)	(6,320)
Group profit/(loss) attributable to:					
Equity holders of the parent		167,980	7,955	(103,419)	(6,396)
Non-controlling interest		843	40	1,224	76
		168,823	7,995	(102,195)	(6,320)

REPORT OF THE DIRECTORS (CONTINUED)

5. Dividends

There has been no dividend proposed for the year ended 30 September 2021 (2020: ZMW nil).

6. Management

The senior management team comprise the following:

Walter Roodt	-	Chief Executive Officer
Faith Mukutu	-	Chief Financial Officer
Mike Lovett	-	Chief Operating Officer
Mwansa Mutimushi	-	Company Secretary
Nyangu Kayamba	-	Human Resources Executive
Mboo Mumba	-	Group Head – Banking & Administration
Koos Potgieter	-	General Manager - Farming
Murray Moore	-	General Manager – Beef and Dairy
Richard Franklin	-	General Manager – Zamleather Limited
Mathews Ngosa	-	General Manager – Zam Chick Limited, Zamhatch Limited
Alun Maskell	-	General Manager – Masterpork Limited
Wiehan Visagie	-	General Manager – Stock Feed
Henry Kasanga	-	General Manager - Milling
Nathan Chishimba	-	Commercial Manager Retailing
Gbenga Ibitoye	-	Financial Controller – West Africa
Lufeyo Nkhoma	-	General Manager – Master Meats Ghana
Clement Mulenga	-	General Manager – Master Meats Nigeria

7. Directors and Secretary

The Directors in office during the financial period and at the date of this report were as follows:

Michael Mundashi SC	-	Chairman
Dr. Lawrence S. Sikutwa	-	(Retired on 31 December 2020)
John Rabb	-	(Retired on 28 February 2021)
Prof. Enala Mwase	-	(Retired on 28 February 2021)
David Osborne	-	(Retired on 28 February 2021)
Margaret Mudenda	-	(Retired on 28 February 2021)
Yollard Kachinda		
Jonathan Kirby		
Frank Braeken		
Katebe Monica Musonda	-	(Appointed on 1st March 2021)
Pearson Gowero	-	(Appointed on 1st March 2021)
Roman Frenkel	-	(Appointed on 1st March 2021)
Walter Roodt	-	Chief Executive Officer
Faith Mukutu	-	Executive Director
Danny Museteka	-	Company Secretary (Retired on 29 January 2021)
Mwansa Mutimushi	-	Company Secretary (Appointed on 1 February 2021)

REPORT OF THE DIRECTORS (continued)

8. Directors' interests

The Directors held the following interests in the Company's ordinary shares at the reporting date:

	30 September 2021		30 September 2020	
	Direct	Indirect	Direct	Indirect
John Rabb*	-	14,000,000	-	14,000,000
Frank Braeken	-	-	375,000	-
Katebe Monica Musonda	555	-	-	-
	555	14,000,000	375,000	14,000,000

* Retired on 28 February 2021.

9. Directors' fees and remuneration

ZMW	Salary	Car Allowance	Medicals
NON-EXECUTIVE			
Michael Mundashi SC	860,000		
Yollard Kachinda	463,225	-	-
Margaret Mudenda	120,272		
Lawrence Sikutwa	100,226		
Enala Mwase	100,225	-	-
Jonathan Kirby	533,870		
John Rabb	120,272	-	-
Frank Braeken	463,225	-	-
Katebe Monica Musonda	338,333		
Pearson Gowero	338,333		
EXECUTIVE			
Walter Roodt	5,444,977	Company Car	Yes
Faith Mukutu	4,950,015	Company Car	Yes
Danny Museteka	1,376,011	-	Yes
Mwansa Mutimushi	1,467,564	-	-

In addition to the above, all Executive Directors are entitled to a gratuity of 25 per cent of their gross basic salary paid over the two-year contract term.

Mr Frank Braeken was engaged in consultancy work at a fee of USD37,500.

Further, the Board co-opted Mr. Hastings Mtine into the Audit Committee as a member. Mr. Mtine's remuneration was ZMW232,657 for the year under review.

REPORT OF THE DIRECTORS (continued)

10. Significant Shareholdings

As at 30 September 2021, the Company has been advised of the following notable interests in its ordinary share capital:

Investor Name	Current Position	% of Shareholding
CDC Group Plc	52,601,435	17.3%
Africa Life	43,030,134	14.1%
National Pension Scheme Authority (Zambia)	24,797,818	8.1%
M & G Investment Management	24,575,000	8.1%
SBM Securities	15,925,191	5.2%
Sussex Trust	14,000,000	4.6%
Eastspring Investment	11,995,062	4.0%
Rhodora	8,639,374	2.8%
Red Fort Partnership	8,175,000	2.7%

CDC Group Plc are also the holders of 100,057,658 convertible redeemable preference shares. These shares have four voting rights for every five preference shares held resulting in CDC having 34.8% of the voting rights.

11. Employees

The Group employed an average of 7,029 (30 September 2020 – 7,082) employees and total salaries and wages were ZMW626.8 million (USD29.7 million) for the year ended 30 September 2021 (30 September 2020 – ZMW493.5million [USD30.5 million]).

The average number of persons employed by the Group in each month of the financial year is as follows:

	Headcount
Oct-20	6,590
Nov-20	6,781
Dec-20	7,078
Jan-21	7,152
Feb-21	7,210
Mar-21	7,224
Apr-21	7,106
May-21	6,842
Jun-21	7,003
Jul-21	7,334
Aug-21	7,228
Sep-21	6,795

REPORT OF THE DIRECTORS (continued)

12. Safety, Health and Environmental issues

As part of some of the Group's term loans, as well as the CDC Group PLC equity investment, the Group has signed up to an Environmental and Social Action Plan ("ESAP"), which requires the Group to meet both local Zambian standards as well as international standards relating to the environment.

The Group provides education and healthcare services to its employees. The Group also supports various community activities in the areas that it operates from.

13. Legal matters

There are no significant legal or arbitration proceedings (including to the knowledge of the Directors, any such proceedings which are pending or threatened, by or against the Company or any subsidiary of the Group) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Company or any member of the Group.

14. Gifts and donations

The Group made donations of ZMW2.5 million (USD 0.5million) (30 September 2020: ZMW7.9million [USD0.5million]) to a number of activities.

15. Export sales

The Group made exports of ZMW36.6 million (USD1.7 million) during the period (30 September 2020: ZMW37.5 million [USD2.3 million]).

16. Property, plant and equipment

Assets totalling ZMW116.1 million (USD5.6 million) were purchased by the Group during the period (30 September 2020 – ZMW92.7 million [USD5.7 million]).

17. Other material facts, circumstances and events

The Directors are not aware of any material fact, circumstance or event which occurred between the accounting date and the date of this report which might influence an assessment of the Group's financial position or the results of its operations. The outbreak of the COVID-19 pandemic has had a negative effect on the country's economy. However the consumer demand for Zambef's products stood up well and the current trading conditions are expected to continue in the near future. The effect on the business from the pandemic has been minimal.

18. Events since the year end

There have been no significant events affecting the Group since the year-end.

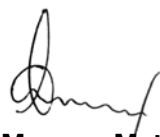
19. Annual financial statements

The annual financial statements set out on pages 51 to 154 have been approved by the directors.

20. Auditor

In accordance with the provisions of section 257(1) of the Zambian Companies Act No. 10 of 2017, the auditors, Messrs Grant Thornton, will retire as auditors of the Company at the forthcoming Annual General Meeting.

By order of the Board



Mwansa Mutimushi
Company Secretary

Date: 30 November 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 265 of the Zambian Companies Act 2017 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the financial position of Zambeef Products PLC and its subsidiaries and of its financial performance and its cash flows for the year then ended. In preparing such financial statements, the Directors are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error;
- selecting appropriate accounting policies and applying them consistently;
- making judgements and accounting estimates that are reasonable in the circumstances; and
- preparing the financial statements in accordance with the applicable financial reporting framework, and on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Zambian Companies Act No. 10 of 2017. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirm that in their opinion:

- (a) the financial statements give a true and fair view of the financial position of Zambeef Products PLC and its subsidiaries as at 30 September 2021, and of its financial performance and its cash flows for the year then ended;
- (b) at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when these fall due; and
- (c) the financial statements are drawn up in accordance with the provisions of the second schedule to Section 164 of the Companies Act and International Financial Reporting Standards.

This statement is made in accordance with a resolution of the Directors.

Signed at **Lusaka** on 30 November 2021

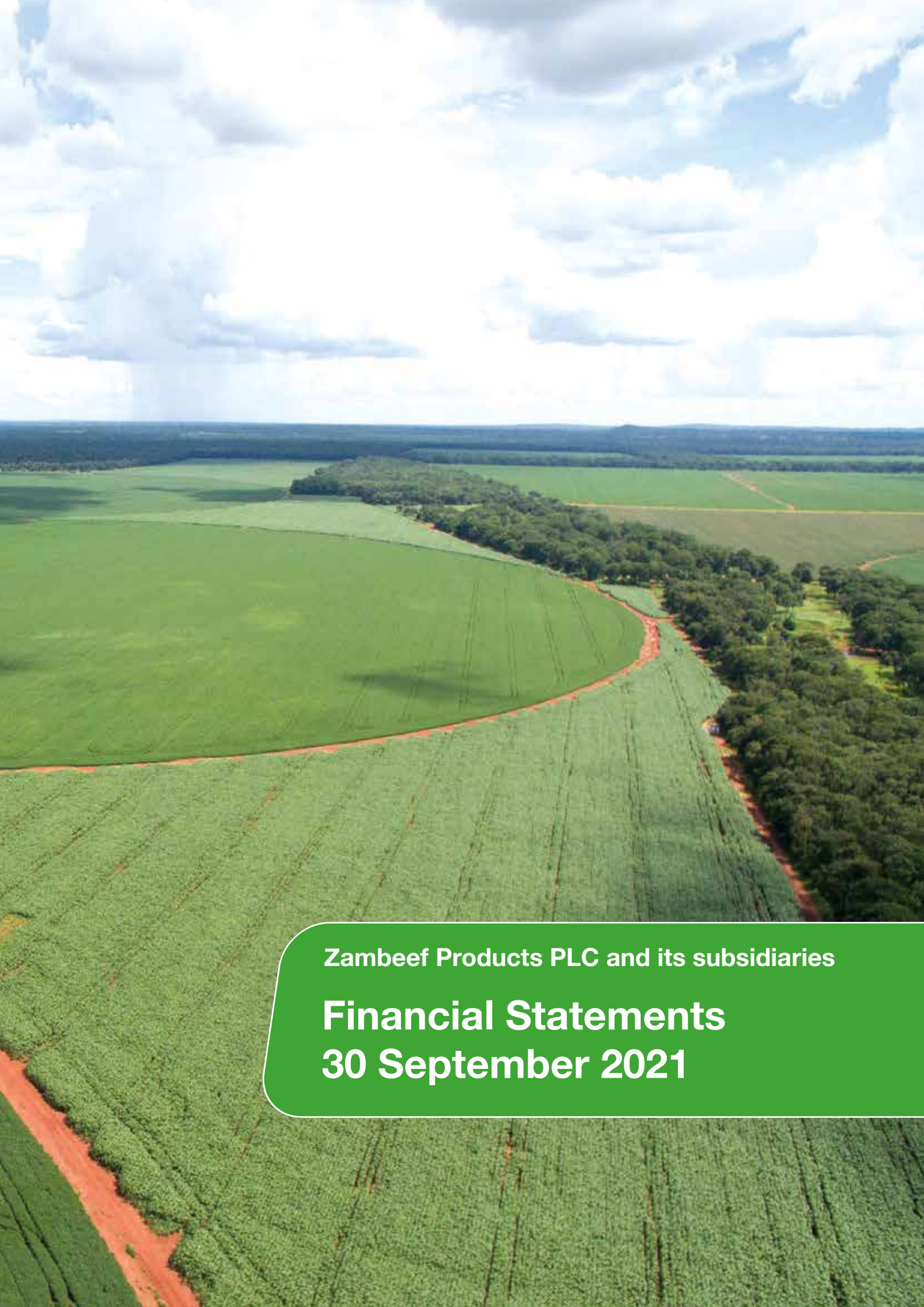


Michael Mundashi SC
Chairman



Walter Roodt
Chief Executive Officer





Zambeef Products PLC and its subsidiaries

**Financial Statements
30 September 2021**

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Zambef Products PLC (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021, which comprise the Consolidated Statement of Comprehensive Income, the consolidated and Separate Statement of Changes in Equity, the Consolidated and Separate Statements of Financial Position and the Consolidated and Separate Statements of Cash Flows and notes to the Financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2021 and of the Group's profit/loss and the parent Company's profit/loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act and the Securities Act of Zambia;
- the parent Company financial statements have been properly prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act and the Securities Act of Zambia and as applied in accordance with the provisions of the Companies Act 2017; and the financial statements have been prepared in accordance with the requirements of the Companies Act No. 10 of 2017.

Partners

Edgar Hamuwele (Managing)
Christopher Mulenga
Wesley Beene
Rodia Musonda
Chilala Banda

Chartered Accountants

Zambian Member of Grant Thornton International

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

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 are independent of the Group and Parent Company accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

Description of matter	How the matter was addressed in our audit
<p>Valuation of biological assets</p> <p>The valuation of biological assets is determined through use of estimates and category of the animals.</p> <p>Due to the judgements required in arriving at biological assets values, the valuation of biological assets was considered a key matter.</p>	<p>We physically counted the livestock at the year-end and engaged an expert to review the categorization and quality of the animals.</p> <p>We weighed samples of the animals in the various categories to ascertain the average weight of animals in those categories.</p> <p>We measured the cropfields, checked the subsequent yields based on the actual yields achieved and we checked the quality of the crop in the ground and the harvested using an the auditor expert.</p> <p>We also analysed the valuations of cattle included in the biological assets based on the valuation methods used which included price per weight.</p>
<p>Classification, measurement and impairment of financial assets</p> <p>The Group applies IFRS 9 'Financial Instruments' in the preparation of the consolidated financial statements.</p> <p>The directors are required to review the classifications of assets and ensure these classifications are in accordance with the requirements of IFRS 9. The directors also reviewed the fair valuations and impairment model.</p> <p>Due to the complex and subjective judgements required in estimating the timing and valuation of impairment and in estimating the fair value of assets, this was considered a key audit matter.</p>	<p>We assessed the classification of the financial assets for compliance with the reporting standard.</p> <p>In considering the reasonableness of the impairment provision, we tested the aging of all outstanding trade receivables to determine those that were overdue.</p> <p>We further assessed their recoverability through testing of subsequent receipts.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

Key Audit Matters (continued)

Valuation of goodwill

Goodwill amounting to K167 million (USD 8.3 million) was carried in the consolidated statement of financial position. Under IAS 36, the Company is required to test the amount of goodwill for impairment at least annually. The impairment tests were significant to our audit due to the complexity of the assessment process and judgements and assumptions involved which are affected by expected future market and economic developments.

We challenged the cash flow projections included in the annual goodwill impairment tests. For our audit we furthermore assessed and tested the assumptions and methodologies used by management.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Chairman's report, report of the Directors, Chief Executive Officer's review, Sustainability report and Corporate Governance Statements, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the 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 in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information.

If, based on the work we have performed, 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act and the Securities Act of Zambia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and 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 management either intends to liquidate the Group and/or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Company's financial reporting process.

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 statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 and 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 Group and/or 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with those charged with governance, 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.

Report on Other Legal and Regulatory Requirements

The Companies Act 2017 of Zambia requires that in carrying out our audit of Zambeef Products PLC, we report on whether:

- i) as required by Section 259(3) (a), there is a relationship, interest or debt which, ourselves, as the company auditors have with the company.
- ii) as required by Section 259 (3) (b), there are no breaches by the company's directors, of corporate governance principles or practices contained in Sections 82 and 122 of part VII of the Companies Act 2017 of Zambia.
- iii) in accordance with Section 250 (2), as regards loans made to a Company Officer (a director, Company Secretary or Exclusive Officer of the company). The Company states the:
 - Particulars of any relevant loan during the financial year to which the accounts apply including any loan which was repaid during the year or;
 - Amount of any relevant loan, whenever made, which remained outstanding at the end of the financial year.

In respect of the foregoing requirements, we have no matter to report.



Chartered Accountants



Wesley M Beene (AUD/F000465)

Name of Partner signing on behalf of the firm

Lusaka

Date: 30 November 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Group	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Revenue	5	4,974,351	235,528	3,875,104	239,648
Net (loss)/gain arising from price changes in fair value of biological assets	16(a)	6,651	315	(14,381)	(889)
Cost of sales		(3,510,286)	(166,207)	(2,645,101)	(163,581)
Gross profit		1,470,716	69,636	1,215,622	75,178
Administrative expenses	7(a)	(1,150,658)	(54,482)	(945,198)	(58,454)
Distribution costs	7(b)	(66,848)	(3,165)	(66,770)	(4,129)
Other income	6	14,120	669	6,877	425
Operating profit	7	267,330	12,658	210,531	13,020
Share of loss from equity accounted investment		(3,358)	(160)	(3,177)	(197)
Profit from asset held for sale	34	31,949	1,513	-	-
Exchange losses on translating foreign currency transactions and balances		23,332	1,105	(137,705)	(8,516)
Finance costs	9	(115,282)	(5,458)	(92,322)	(5,709)
Profit/(loss) before taxation		203,971	9,658	(22,673)	(1,402)
Taxation charge	10	(35,148)	(1,664)	(112,957)	(6,986)
Group (loss)/income for the year from continuing operations		168,823	7,995	(135,630)	(8,388)
Profit from discontinued operations	34	-	-	33,435	2,068
Group income/(loss) for the year		168,823	7,995	(102,195)	(6,320)

The translated USD figures are for supplementary reporting purposes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Group income/(loss) attributable to:					
Equity holders of the parent		167,980	7,955	(103,419)	(6,396)
Non-controlling interest		843	40	1,224	76
		168,823	7,995	(102,195)	(6,320)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Exchange gains/(losses) on translating presentational currency		(286,645)	25,338	625,042	(52,402)
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of net defined benefit liability		(2,813)	(133)	6,229	385
Remeasurement of leases		-	-	315	20
Revaluation of assets		192,403	9,110	-	-
Total other comprehensive income/(loss)		(97,055)	34,315	631,586	(51,997)
Total comprehensive income/(loss) for the year		71,768	42,310	529,391	(58,317)
Total comprehensive income/(loss) for the year attributable to:					
Equity holders of the parent		73,867	42,440	525,030	(58,661)
Non-controlling interest		(2,099)	(130)	4,361	344
		71,768	42,310	529,391	(58,317)
		Ngwee	Cents	Ngwee	Cents
Earnings per share					
Basic earnings per share – continued operations	12	55.89	2.65	(45.12)	(2.79)
Basic earnings per share – discontinued operations	12	-	-	11.12	0.69
Total Basic earnings per share	12	55.89	2.65	(34.00)	(2.10)
Diluted earnings per share					
Diluted earnings per share – continued operations	12	41.92	1.99	(45.12)	(2.79)
Diluted earnings per share – discontinued operations	12	-	-	11.12	0.69
Total Diluted earnings per share	12	41.92	1.99	(34.00)	(2.10)

The translated USD figures are for supplementary reporting purposes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

(i) In Zambian Kwacha	Issued share capital	Share premium	Preference share capital	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interest	Total equity
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
As at 30 September 2019	3,006	1,125,012	1,000	381,929	1,199,058	535,704	3,245,709	(4,881)	3,240,828
Adjustment on transition to IFRS16	-	-	-	-	-	315	315	-	315
At 1 October 2019		(4,881)	3,240,828	381,929	1,199,058	536,019	3,246,024	(4,881)	3,241,143
Loss for the year	-	-	-	-	-	(103,419)	(103,419)	1,224	(102,195)
Transfer of surplus depreciation	-	-	-	-	(31,345)	31,345	-	-	-
Other comprehensive income:									
Exchange (loss) on translating presentational currency	-	-	-	621,905	-	-	621,905	3,137	625,042
Remeasurement of net defined benefit liability	-	-	-	-	-	6,229	6,229	-	6,229
Total comprehensive income	-	-	-	621,905	(31,345)	(65,845)	524,715	4,361	529,076
At 30 September 2020	3,006	1,125,012	1,000	1,003,834	1,167,713	470,174	3,770,739	(520)	3,770,219
Profit for the year	-	-	-	-	-	167,980	167,980	843	168,823
Revaluation	-	-	-	-	192,403	-	192,403	-	192,403
Transfer of surplus depreciation	-	-	-	-	(44,377)	44,377	-	-	-
Other comprehensive income:									
Exchange gain/ (loss) on translating presentational currency	-	-	-	(283,703)	-	-	(283,703)	(2,942)	(286,645)
Remeasurement of net defined benefit liability	-	-	-	-	-	(2,813)	(2,813)	-	(2,813)
Total comprehensive income	-	-	-	(283,703)	148,026	209,544	73,867	(2,099)	71,768
At 30 September 2021	3,006	1,125,012	1,000	720,131	1,315,739	679,718	3,844,606	(2,619)	3,841,987

The translated USD figures are for supplementary reporting purposes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

(ii) In US Dollar	Issued share capital	Preference share capital	Share premium	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total attributable to owners of the parent	Non- controlling interest	Total equity
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
At 1 October 2019	449	185,095	100	(197,748)	173,209	84,782	245,887	(370)	245,517
Adjustment on transition to IFRS 16	-	-	-	-	-	20	20	-	20
As at 1 October 2019	449	185,095	100	(197,748)	173,209	84,802	245,907	(370)	245,537
Loss for the year	-	-	-	-	-	(6,396)	(6,396)	76	(6,320)
Transfer of surplus depreciation	-	-	-	-	(1,938)	1,938	-	-	-
Other comprehensive income:									
Exchange gains on translating presentational currency	-	-	-	(52,670)	-	-	(52,670)	268	(52,402)
Remeasurement of net defined benefit liability	-	-	-	-	-	385	385	-	385
Total comprehensive income	-	-	-	(52,670)	(1,938)	(4,073)	(58,681)	344	(58,337)
At 30 September 2020	449	185,095	100	(250,418)	171,271	80,729	187,226	(26)	187,200
Profit for the year	-	-	-	-	-	7,955	7,955	40	7,995
Revaluation	-	-	-	-	9,110	-	9,110	-	9,110
Transfer of surplus depreciation	-	-	-	-	(2,101)	2,101	-	-	-
Other comprehensive income:									
Exchange gains on translating presentational currency	-	-	-	25,508	-	-	25,508	(170)	25,338
Remeasurement of net defined benefit liability	-	-	-	-	-	(133)	(133)	-	(133)
Total comprehensive income	-	-	-	25,508	7,009	9,923	42,440	(130)	42,310
At 30 September 2021	449	185,095	100	(224,910)	178,280	90,652	229,666	(156)	229,510

The translated USD figures are for supplementary reporting purposes.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

(i) In Zambian Kwacha	Issued share capital	Preference share capital	Share premium	Revaluation reserve	Foreign exchange reserve	Retained earnings	Total equity
ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
At 1 October 2019	3,006	1,000	1,125,012	862,152	360,506	535,236	2,886,912
Profit for the year	-	-	-	-	-	26,838	26,838
Other comprehensive income:							
Transfer of surplus depreciation	-	-	-	(33,614)	-	33,614	-
Remeasurement of net defined benefits liability	-	-	-	-	-	1,836	1,836
Exchange gain on translating presentational currency	-	-	-	-	609,324	-	609,324
Total comprehensive income	-	-	-	(33,614)	609,324	62,288	637,998
At 30 September 2020	3,006	1,000	1,125,012	828,538	969,830	597,524	3,524,910
Profit for the year	-	-	-	-	-	131,349	131,349
Other comprehensive income:							
Revaluation	-	-	-	40,125	-	-	40,125
Transfer of surplus depreciation	-	-	-	(46,972)	-	46,972	-
Remeasurement of net defined benefits liability	-	-	-	-	-	(1,408)	(1,408)
Exchange gain on translating presentational currency	-	-	-	-	(271,935)	-	(271,935)
Total comprehensive income	-	-	-	(6,847)	(271,935)	176,913	(101,869)
At 30 September 2021	3,006	1,000	1,125,012	821,691	697,895	774,437	3,423,041

The translated USD figures are for supplementary reporting purposes.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

(ii) In US Dollar	Issued share capital	Preference share capital	Share premium	Revaluation reserve	Foreign exchange reserve	Retained earnings	Total equity
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
At 1 October 2019	449	100	185,095	116,408	(168,059)	84,712	218,705
Profit for the year	-	-	-	-	-	1,661	1,661
Other comprehensive income:							
Transfer of surplus depreciation	-	-	-	(2,079)	-	2,079	-
Remeasurement of net defined benefits liability	-	-	-	-	-	114	114
Exchange losses on translating presentational currency	-	-	-	-	(45,460)	-	(45,460)
Total comprehensive income	-	-	-	(2,079)	(45,460)	3,854	(43,685)
At 30 September 2020	449	100	185,095	114,329	(213,519)	88,566	175,020
Profit for the year	-	-	-	-	-	6,219	6,219
Other comprehensive income:							
Revaluation	-	-	-	1,900	-	-	1,900
Transfer of surplus depreciation	-	-	-	(2,224)	-	2,224	-
Remeasurement of net defined benefits liability	-	-	-	-	-	(66)	(66)
Exchange losses on translating presentational currency	-	-	-	-	21,410	-	21,410
Total comprehensive income	-	-	-	(324)	21,410	8,377	29,463
At 30 September 2021	449	100	185,095	114,005	(192,109)	96,943	204,483

The translated USD figures are for supplementary reporting purposes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 30 SEPTEMBER 2021

ASSETS	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Non-current assets					
Goodwill	13	166,801	9,964	166,801	8,282
Property, plant and equipment	14	3,115,018	186,082	3,264,505	162,091
Investment in associate	15(e)	40,468	2,417	43,826	2,176
Deferred tax asset	10(e)	9,050	541	9,552	474
		3,331,337	199,004	3,484,684	173,023
Current assets					
Biological assets	16	358,997	21,445	176,305	8,754
Inventories	17	1,197,846	71,556	1,103,640	54,798
Trade and other receivables	18	234,076	13,983	132,668	6,587
Assets held for sale	34	170,550	10,188	175,654	8,722
Amounts due from related companies	19	4,202	251	9,337	464
Income tax recoverable	10(c)	3,707	221	1,784	89
Cash and cash equivalents	20	201,539	12,039	111,136	5,518
		2,170,917	129,683	1,710,524	84,932
Total assets		5,502,254	328,687	5,195,208	257,955
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	21	3,006	449	3,006	449
Preference share capital	21	1,000	100	1,000	100
Share premium	22	1,125,012	185,095	1,125,012	185,095
Other reserves		2,715,588	44,022	2,641,721	1,582
		3,844,606	229,666	3,770,739	187,226
Non-controlling interest		(2,619)	(156)	(520)	(26)
		3,841,987	229,510	3,770,219	187,200

The translated USD figures are for supplementary reporting purposes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 30 SEPTEMBER 2021 (CONTINUED)

	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Non-current liabilities					
Interest bearing liabilities	23	195,555	11,682	190,218	9,445
Leases	24	7,253	433	19,750	981
Deferred liability	25	8,891	531	11,389	565
Deferred tax liability	10(e)	88,056	5,260	69,950	3,473
		299,755	17,906	291,307	14,464
Current liabilities					
Interest bearing liabilities	23	210,709	12,587	326,899	16,231
Leases	24	12,418	742	23,259	1,155
Trade and other payables	26	464,103	27,723	321,648	15,971
Provisions	27	169,307	10,113	113,347	5,629
Amounts due to related companies	28	-	-	443	22
Taxation payable	10(c)	13,771	823	41	2
Bank overdrafts	20	490,204	29,283	348,045	17,281
		1,360,512	81,271	1,133,682	56,291
Total equity and liabilities		5,502,254	328,687	5,195,208	257,955

The financial statements on pages 51 to 154 were approved by the Board of Directors on 30 November 2021 and were signed on its behalf by:



Michael Mundashi SC
Chairman



Walter Roodt
Chief Executive Officer

The translated USD figures are for supplementary reporting purposes.

COMPANY STATEMENT OF FINANCIAL POSITION - 30 SEPTEMBER 2021

ASSETS	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Non-current assets					
Property, plant and equipment	14	2,166,483	129,420	2,476,394	122,959
Investments in subsidiaries	15(b)	245,807	14,684	245,807	12,205
Investment in associate	15(e)	40,468	2,417	43,826	2,176
		2,452,758	146,521	2,766,027	137,340
Current assets					
Biological assets	16	307,948	18,396	139,501	6,927
Inventories	17	772,972	46,174	814,081	40,421
Assets held for sale	34	170,550	10,188	175,654	8,722
Trade and other receivables	18	91,702	5,478	50,555	2,510
Amounts due from related companies	19	780,554	46,628	1,320,117	65,547
Income tax recoverable	10(c)	2,520	151	565	28
Cash and cash equivalents	20	113,193	6,762	12,645	628
		2,239,439	133,777	2,513,118	124,783
Total assets		4,692,197	280,298	5,279,145	262,123
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	21	3,006	449	3,006	449
Preference share capital	21	1,000	100	1,000	100
Share premium	22	1,125,012	185,095	1,125,012	185,095
Other reserves		2,294,023	18,839	2,395,892	(10,624)
		3,423,041	204,483	3,524,910	175,020

The translated USD figures are for supplementary reporting purposes.

COMPANY STATEMENT OF FINANCIAL POSITION - 30 SEPTEMBER 2021 (CONTINUED)

	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Non-current liabilities					
Interest bearing liabilities	23	195,555	11,682	190,218	9,445
Leases	24	1,873	112	8,172	406
Deferred liability	25	2,124	127	3,356	167
Deferred tax liability	10(e)	55,905	3,340	41,153	2,043
		255,457	15,261	242,899	12,061
Current liabilities					
Interest bearing liabilities	23	210,709	12,587	326,899	16,231
Leases	24	6,597	394	14,461	718
Trade and other payables	26	293,054	17,507	232,844	11,561
Provisions	27	119,649	7,147	61,200	3,039
Amounts due to related companies	28	77,273	4,616	705,110	35,011
Bank overdrafts	20	306,417	18,304	170,822	8,482
		1,013,699	60,555	1,511,336	75,042
Total equity and liabilities		4,692,197	280,299	5,279,145	262,123

The financial statements on pages 51 to 154 were approved by the Board of Directors on 30 November 2021 and were signed on its behalf by:



Michael Mundashi SC
Chairman



Walter Roodt
Chief Executive Officer

The translated USD figures are for supplementary reporting purposes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Cash inflow from operating activities					
Profit/(Loss)before taxation		203,971	9,658	(22,673)	(1,402)
Finance costs	9	115,282	5,458	92,322	5,709
Loss on disposal of property, plant and equipment		2,260	107	4,796	297
Depreciation	14	160,471	7,598	141,408	8,745
Share of loss on equity accounted investment		3,358	159	3,177	196
Profit on discontinued operations		-	-	1,529	95
Fair value price adjustment	16	(6,651)	(315)	14,381	889
Defined benefits movement		4,473	212	(3,185)	(197)
Defined benefits paid	25	(6,971)	(330)	(1,788)	(111)
Net unrealised foreign exchange losses		(19,422)	(920)	185,438	11,468
Earnings before interest, tax, depreciation and amortisation, fair value adjustments and net unrealised foreign exchange losses		456,771	21,627	415,405	25,689
Decrease/(increase) in biological assets		(176,041)	(8,335)	(20,269)	(1,253)
Increase in inventory		(94,206)	(4,461)	(162,481)	(10,048)
(Increase)/decrease in trade and other receivables		(101,408)	(4,802)	(34,643)	(2,142)
Decrease/(Increase) in amounts due from related companies		5,135	243	(2,410)	(149)
Increase/(decrease) in trade and other payables		198,415	9,395	122,496	7,575
Increase in amounts due to related companies		(443)	(21)	192	12
Income tax paid	10(c)	(4,734)	(224)	(5,525)	(342)
Net cash inflow from operating activities		283,489	13,422	312,765	19,342
Investing activities					
Purchase of property, plant and equipment	14	(116,629)	(5,522)	(92,664)	(5,731)
Proceeds from the sale of assets		51	2	6,452	399
Proceeds from the sale of assets/investments		-	-	167,264	10,344
Net cash (outflow)/inflow (on)/ from investing activities		(116,578)	(5,520)	81,052	5,012

The translated USD figures are for supplementary reporting purposes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Net cash (outflow)/ inflow before financing activities		166,911	7,902	393,817	24,354
Financing activities					
Long term loans repaid	29	(262,705)	(12,439)	(162,217)	(10,032)
Receipt from term loans	29	220,000	10,417	-	-
Repayment short term funding	29	(477,906)	(22,628)	(623,231)	(38,542)
Receipt of short-term funding	29	449,619	21,289	487,320	30,137
Lease finance repayment	29	(32,513)	(1,539)	(35,478)	(2,194)
Lease finance obtained		-	-	14,329	886
Finance costs	9	(115,282)	(5,458)	(92,322)	(5,709)
Net cash outflow on financing activities		(218,787)	(10,358)	(411,599)	(25,454)
Decrease in cash and cash equivalents		(51,876)	(2,456)	(17,782)	(1,100)
Cash and cash equivalents at beginning of the year		(236,909)	(11,763)	(274,425)	(20,790)
Effects of exchange rate changes on the balance of cash held in foreign currencies		120	(3,025)	55,298	10,127
Cash and cash equivalents at end of the year	20	(288,665)	(17,244)	(236,909)	(11,763)
Represented by:					
Cash in hand and at bank	20	201,539	12,039	111,136	5,518
Bank overdrafts	20	(490,204)	(29,283)	(348,045)	(17,281)
		(288,665)	(17,244)	(236,909)	(11,763)

The translated USD figures are for supplementary reporting purposes.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Cash inflow from operating activities					
Profit before taxation		147,144	6,967	34,203	2,115
Finance costs		84,981	4,024	68,747	4,252
Depreciation	14	87,466	4,141	80,462	4,976
Fair value price adjustment	16	3,323	157	15,464	956
Loss on disposal of property, plant and equipment		553	26	1,216	75
Share of loss on equity accounted investment		3,358	159	3,177	196
Defined benefit movement		2,241	106	312	19
Defined benefits paid		(3,473)	(164)	(611)	(38)
Profit on discontinued operations		-	-	1,529	95
Net unrealised foreign exchange differences		34,065	1,613	180,954	11,193
Earnings before interest, tax, depreciation and amortisation		359,658	17,029	385,453	23,839
Increase in biological assets		(168,448)	(7,976)	(2,286)	(141)
Decrease/(increase) in inventory		41,109	1,946	(130,482)	(8,069)
Increase in trade and other receivables		(41,147)	(1,948)	(22,402)	(1,385)
(Increase)/decrease in amounts due from related companies		539,563	25,545	(275,999)	(17,069)
Increase in trade and other payables		118,659	5,618	74,340	4,597
Increase in amounts due to related companies		(627,837)	(29,727)	215,065	13,300
Income tax paid	10(c)	(2,997)	(142)	(5,314)	(329)
Net cash inflow from operating activities		218,560	10,347	238,375	14,743
Investing activities					
Purchase of property, plant and equipment	14	(43,129)	(2,042)	(35,385)	(2,188)
Proceeds from disposal of investment		-	-	167,264	10,344
Proceeds from sale of assets		233	11	4,205	260
Net cash (outflow)/inflow (on)/from investing activities		(42,896)	(2,031)	136,084	8,416

The translated USD figures are for supplementary reporting purposes.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Note	2021	2021	2020	2020
		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Net cash inflow before financing activities		175,664	8,316	374,459	23,159
Financing activities					
Long term loans repaid	29	(262,705)	(12,439)	(162,217)	(10,032)
Receipt from term loans	29	220,000	10,417	-	-
Short term funding repaid	29	(477,906)	(22,628)	(623,231)	(38,542)
Short term funding obtained	29	449,619	21,289	487,320	30,137
Lease finance repayment	29	(14,163)	(671)	(30,835)	(1,907)
Lease finance obtained	29	-	-	14,329	886
Interest paid		(84,981)	(4,024)	(68,747)	(4,252)
Net cash outflow on financing activities		(170,136)	(8,056)	(383,381)	(23,710)
Increase/(Decrease) in cash and cash equivalents		5,528	260	(8,922)	(551)
Cash and cash equivalents at beginning of the year		(158,177)	(7,854)	(195,772)	(14,381)
Effects of exchange rate changes on the balance of cash held in foreign currencies		(40,575)	(3,949)	46,517	7,078
Cash and cash equivalents at end of the year	20	(193,224)	(11,543)	(158,177)	(7,854)
Represented by:					
Cash in hand and at bank	20	113,193	6,761	12,644	628
Bank overdrafts	20	(306,417)	(18,304)	(170,821)	(8,482)
		(193,224)	(11,543)	(158,177)	(7,854)

The translated USD figures are for supplementary reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

1. The Group

Zambeef Products PLC and its subsidiaries (“Group”) is one of the largest agri-businesses in Zambia. The Group is principally involved in the production, processing, distribution and retailing of beef, chicken, pork, milk, dairy products, eggs, edible oils, stock feed and flour. The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 7,971 Ha of row crops under irrigation and 8,623 Ha of rain-fed/dry-land crops available for planting each year. The Group also has operations in West Africa in Nigeria and Ghana.

2. Principal accounting policies

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

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the parent Company and its subsidiary companies made up to the end of the financial year. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of comprehensive income from the date of their acquisition or up to the date of their disposal. Intercompany transactions and profits are eliminated on consolidation and all income and profit figures relate to external transactions only.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary’s profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests. Profit or loss and other comprehensive income of subsidiaries acquired or disposed off during the year are recognised from the effective date of acquisition or up to the effective date of disposal, as applicable.

(b) Going Concern

At the reporting date loans and other finance amounts repayable within twelve months amount to ZMW223.1 million (USD13.3 million) [2020: ZMW350.2 million (USD17.4 million)]. After reviewing the available information including the Group’s strategic plans and continuing support from the Group’s working capital funders, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Group will settle all current liabilities from the continued liquidation of stock and expected increase in income from the key markets in stockfeed and cropping which continue to perform well. The stocks are fast moving consumer goods. The Group also has access to bank financing facilities for working capital funding.

The outbreak of the COVID-19 pandemic has had a negative effect on the country’s economy. However, the consumer demand for Zambeef’s products stood up well and the current trading conditions are expected to continue in the near future. The effect on the business, in terms of sales, from the pandemic has been minimal but has been negatively affected by the steep depreciation of the currency resulting in exchange losses.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(c) Basis of presentation

The financial statements are prepared in accordance with the provisions of the Zambian Companies Act 2017 and International Financial Reporting Standards (IFRS). The financial statements are presented in accordance with IAS 1 “Preparation of financial statements” (Revised 2007). The Group has elected to present the “Statement of Comprehensive Income” in one statement namely the “Statement of Comprehensive Income”.

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of property, plant and equipment, and financial assets and liabilities at fair value through profit or loss. Biological assets are measured at fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(d) Foreign currencies

(i) Presentation and functional currency

The Company has twelve operating branches, of which eleven have a functional currency of Zambian Kwacha (ZMW) and one (the Mpongwe Farms Branch) has a functional currency of United States Dollars (USD) being an operational branch set up during the year ended 30 September 2012. Management have chosen a variant on the functional currency of Mpongwe due to the following factors:

- the majority of farm input costs (fertilizer, farming chemicals, agricultural machinery spares, etc.), which are primarily sourced from overseas, are driven by USD to ZMW exchange rate due to origin prices being USD;
- the pricing of Mpongwe’s principal outputs (wheat, soya and maize) are significantly influenced by world USD denominated grain prices;
- the capital raised attached to the acquisition of the Mpongwe assets was denominated in foreign currency;
- the Mpongwe assets were purchased in USD; and
- the majority of financial liabilities associated with working capital funding and capital expenditure are sourced in USD and repayable in USD, with a substantial portion of the Company’s term liabilities secured on the assets of Mpongwe.

In light of this, Mpongwe’s assets and liabilities are translated to ZMW and consolidated with other branches of the Company for reporting and tax purposes in Zambia.

As a result of using a functional currency of USD for Mpongwe, there arose an exchange difference of ZMW271.9 million (2020: ZMW609.3 million) upon translating all assets and liabilities, which has been recognised as an unrealised gain in the statement of comprehensive income of the Company. All the assets and liabilities for Mpongwe are translated from the functional currency USD to the local currency ZMW which gives rise to exchange differences.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(d) Foreign currencies (continued)

(i) Presentation and functional currency (continued)

The Group's reporting currency is Kwacha (ZMW). The presentation of the financial statements and related disclosures in USD is supplementary information.

(ii) Basis of translating presentation currency to USD for the purposes of supplementary information

Income statement items have been translated using the average exchange rate for the year as an approximation to the actual exchange rate. Assets and liabilities have been translated using the closing exchange rate. Any differences arising from this process have been recognised in other comprehensive income and accumulated in the foreign exchange reserve in equity.

Equity items have been translated at the closing exchange rate. Exchange differences arising on retranslating equity items and opening net assets have been transferred to the foreign exchange reserve within equity.

The following exchange rates have been applied:

ZMW: USD	Average exchange rate	Closing exchange rate
Year ended 30 September 2020	16.17	20.14
Year ended 30 September 2021	21.12	16.74

All historical financial information, except where specifically stated, is presented in Zambian Kwacha rounded to the nearest ZMW'000s and United States Dollars rounded to the nearest USD'000s.

(iii) Basis of translating transactions and balances

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income.

Non-operating foreign exchange gains and losses mainly arise on fluctuations of the exchange rate between United States Dollars and Zambian Kwacha. Due to the instability of the exchange rate, which may result in significant unrealised variances of foreign exchange related assets and liabilities, these gains and losses have been presented below operating profit in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(d) Foreign currencies (continued)

(iv) Basis of translating foreign operations

In the consolidated financial statements, the financial statements of the foreign subsidiaries originally presented in their local currency have been translated into Zambian Kwacha. Assets and liabilities have been translated into Zambian Kwacha at the exchange rates ruling at the year end. Statement of comprehensive income items have been translated at an average monthly rate for the year. Any differences arising from this procedure are taken to the foreign exchange reserve.

ZMW: Nigeria Naira	Average exchange rate	Closing exchange rate
Year ended 30 September 2020	23.10	19.00
Year ended 30 September 2021	24.48	18.55

ZMW: Ghana Cedi	Average exchange rate	Closing exchange rate
Year ended 30 September 2020	0.35	0.29
Year ended 30 September 2021	0.36	0.28

(e) New standards adopted at 1 October 2020

Other Standards and amendments that are effective for the first time in 2020 and could be applicable to the Group are as follows:

- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Amendments to References to the Conceptual Framework (Various Standards)
- COVID-19 Rent Related Concessions (Amendments to IFRS 16)

The pronouncements which have become effective and have therefore, been adopted do not have a significant impact on the Group's financial results or position.

There are no new standards and amendments which have been issued and are effective in the current or future periods anticipated to have material impact.

(f) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

Other Standards and amendments that are not yet effective and have not been adopted early by the group include:

- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(g) Business combinations

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net asset acquired is credited to the statement of comprehensive income in the period of acquisition. Changes in the Group's ownership interest that do not result in a loss of control are accounted for as equity transactions. Purchase of non-controlling interests are recognized directly within equity being the difference between the fair value of the consideration paid and the relevant share acquired of the carrying value of the net assets to the subsidiary.

Contingent and deferred consideration arising as a result of acquisitions is stated at fair value. Contingent and deferred consideration is based on management's best estimate of the likely outcome and best estimate of fair value, which is usually, but not always, a contracted formula based on a multiple of net profit after tax. All acquisition expenses are recognised in the statement of comprehensive income.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed off during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Investments in associates are accounted for using the equity method. The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate adjusted, where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions with the Group and its associates are eliminated to the extent of the Group's interest in those entities where the unrealised losses are eliminated. Management exercises judgement in determining the impairment of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(h) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of. A component can be distinguished operationally and for financial reporting purposes if:

- its operating assets and liabilities can be directly attributed to it
- its income (gross revenue) can be directly attributed to it
- at least a majority of its operating expenses can be directly attributed to it.

Profit or loss from discontinued operations, including prior year comparatives, is presented in a single amount in the income statement. This amount comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the disposal of the Group's share of the entity's net assets.

The disclosures for discontinued operations in the prior years relate to all operations that have been discontinued by the reporting date for the latest period presented.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell.

Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

(i) Impairment testing of goodwill and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units 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 (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(j) Revenue recognition

Revenue arises mainly from the sale of cold chain food products, stock feed and cropping.

To determine whether to recognise revenue, the Group follows a 5 step process:

- 1) identifying the contracts with a customer;
- 2) identifying the performance obligations;
- 3) determining the transaction price;
- 4) allocating the transaction price to the performance obligations; and
- 5) recognising revenue when/as performance obligations are satisfied.

Revenue is recognised at the point in time when control has passed to the customer. This is when delivery of the product is made to the customers or when customers collect the product from one of the group's locations.

A liability is recognised for all amounts received in advance for which the performance obligation of transferring the goods to the customer has not been met. Similarly, if the Group satisfies a performance obligation before it receives consideration, the Group recognises a receivable in the statement of financial position.

Cropping

Revenue from cropping is from the sale of wheat, soya and maize grain. The price of the grain is agreed as per the contract with the customers and the customers are only invoiced when customer takes delivery of the grain. Revenue is recognised when performance obligations are satisfied by delivering the grain.

Cold chain food products

The cold food chain products are mainly beef, chicken, pork, fish, milk and dairy products. These products are sold through the group's retailing network, most of which is through cash sales. The credit sales are only invoiced when the products are delivered to the customer or when the customer collects the products.

Stockfeed

Stockfeed is sold through the Group's retail network and on contract to certain customers. The sales through the retail network are cash sales. The credit sales are invoiced when the customer takes delivery of the stock feed.

Chicks

Revenue for the sale of day-old chicks is generated through direct sales to customers through the Zambeef outlets and through agents. Customers and agents make advance payments before getting delivery of the chicks. Revenue is recognised when the customer collects the chicks and is invoiced.

Mill and bakery

The revenue for mill and bakery is from the sale of flour mill and bread. The flour mill and bread are sold through the Group's retail network and are mainly for cash sales.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(k) Property, plant and equipment

All classes of property, plant and equipment are stated at valuation except for plantation development expenditure and capital work in progress which are stated at historical cost. Capital work in progress relates to internally constructed building parts and plant and machinery and are categorised as such on completion. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss in the statement of comprehensive income during the financial year in which they are incurred.

The Group has adopted a policy of revaluing all classes of property, plant and equipment, excluding capital work in progress. Revaluations are conducted at least every five years.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted where appropriate.

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

Management considers available market information at the reporting date to assess whether the asset values are appropriate.

Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of an assets are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Depreciation is calculated to write off the cost of property, plant and equipment on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Buildings	2%
Motor vehicles	20%
Aircraft	10%
Furniture & equipment	10%
Plant & machinery	10%

Land and capital work in progress are not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(k) Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income in other income. When revalued assets are sold, the amounts included in the revaluation surplus relating to these assets are transferred to retained earnings.

(l) Leased assets

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(l) Leased assets(continued)

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been presented on the face of the balance sheet. Take-on values of right of use assets and liabilities have been based on future lease payments, discounted at the prevailing incremental borrowing rate to present values. The incremental borrowing rates are based on the cost of borrowing from third party financiers.

(m) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(m) Financial instruments (continued)

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)

In the periods presented the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(m) Financial instruments (continued)

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due. Refer to Note 18 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(n) Biological assets

Biological assets are valued at their fair values less estimated point of sale costs as determined by the Directors. The fair value of livestock is determined based on market prices of animals of similar age, breed and genetic merit. Standing crops are revalued to fair value at each reporting date based on the estimated market value of fully grown standing crops adjusted for the age and condition of the crops at the reporting date. Feedlot, standing and dairy cattle, chickens (broilers and layers), and pigs have been classified as current biological assets based on Directors' expectation of their useful economic life. Upon maturity of biological assets, they are transferred to inventory through harvest and culling.

Net gains and losses arising from changes in fair value less estimated point of sale costs of biological assets are recognised in profit and loss in the statement of comprehensive income.

(o) Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first in first out basis and includes all expenditure incurred in the normal course of business in bringing the goods to their present location and condition, including production overheads based on normal level of activity. Net realizable value takes into account all further costs directly related to marketing, selling and distribution.

Biological assets are transferred to inventory at the point of harvest/slaughter at fair value in accordance with IAS 41.

(p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank overdrafts, deposits held at call with banks and balances held with banks.

Bank overdrafts are defined as facilities which are repayable on demand and classified as current liabilities.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(q) Interest bearing liabilities

Short-term interest-bearing liabilities include all amounts expected to be repayable within twelve months from the reporting date, including instalments due on loans of longer duration. Long-term interest-bearing liabilities represent all amounts payable more than twelve months from the reporting date.

(r) Other income

Other income is income not related to the operation or management of the specific business activities of the Group, but which arises from the function of operating an agri-business. Other income comprises the fair value of the consideration received or receivable.

(s) Taxation

- (i) Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
- (ii) Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.
- (iii) Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.
- (iv) Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.
- (v) Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.
- (vi) Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(t) Employee benefits

(i) Pension obligations

The Group has a plan with National Pension Scheme Authority (NAPSA) where the Group pays an amount equal to the employee's contributions. Employees contribute 5 per cent. of their gross earnings up to the statutory cap.

(ii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits in exchange for the termination of an employee's employment as a result of either its termination of an employee's employment before normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

(u) Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the year in which the dividends are approved by the Company's shareholders at a general meeting.

(v) Equity and reserves

- (i) Share capital represents the nominal value of shares that have been issued.
- (ii) Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.
- (iii) Preference shares are classified as equity if they are non-redeemable and any dividends are discretionary, or are redeemable but only at the group's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.
- (iv) The revaluation reserve within equity comprises gains and losses due to the revaluation of property, plant and equipment. This reserve is non-distributable.
- (vi) Foreign currency translation differences arising from translating to presentational currency and translating foreign operations are included in the foreign exchange reserve. These reserves are non-distributable.
- (vii) Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income. All transactions with owners of the parent are recorded separately within equity.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

2. Principal accounting policies (continued)

(w) Segmental reporting

IFRS 8 requires segments to be identified on the basis of the internal reports about operating units of the Group that are regularly reviewed by the Chief Executive Officer and the Chief Financial Officer who are the Chief Operating Decision Makers (CODMs) to allocate resources and to assess their performance. The Group operates 12 main reportable divisions which match the main external revenues earned by the Group:

- Retailing Zambia
- Retailing – West Africa
- Beef
- Chicken
- Day-old chicks
- Pork
- Milk and dairy
- Eggs
- Stockfeed
- Crops
- Mill and Bakery
- Leather and shoe

The business activities are grouped in these segments based on the nature of their business and in the case of Retailing - West Africa the geographical area in which they conduct their business.

Due to the nature of the Group's operations, namely that groups of assets and liabilities are each used to generate a number of the revenue streams above, balance sheet items cannot be discretely allocated to the above components, and the CODM also review management information regarding the operating assets and liabilities of the main reporting entities within the Group as follows:

- Zambeef
- Retailing
- Master Pork
- Other

The 'Other' segment includes the foreign subsidiaries, Zamleather Limited, Zam Chick Limited and Zamhatch Limited. Foreign subsidiaries include the Group's two majority-owned subsidiaries in Nigeria and Ghana. Inter and intra-divisional, and inter-company sales are recognised based on an internally set transfer price. The prices are reviewed periodically and aim to reflect what each business segment could achieve if it sold its output to external parties at arm's length.

(x) Provisions

Provisions for legal disputes, employee benefits or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. Provisions are not recognised for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. 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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income, expenses and contingent liabilities. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances.

Significant management judgements

Recognition of deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Management applies judgement in assessing whether a deferred tax asset is recognised on carried forward trading losses based on anticipated future profits. This considers projections made by the business and expected future market conditions. The company from which the deferred tax asset arises has projected taxable profits against which the tax losses will be utilised within the five year expiry period.

Estimation Uncertainty

Information about estimates and assumptions that may have the most significant effects on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

(i) Valuation of biological assets and inventory

Biological assets are measured at fair value less estimated costs to sell. In estimating fair values and costs to sell, management considers the most reliable evidence at the times the estimates are made.

The most significant estimate relates to management's assessment of anticipated yield per hectare for establishing the fair value of standing crops. This assessment considers historic yields, climate conditions and certain other key factors. Realisation of the carrying amounts of biological assets of ZMW358.9 million (USD21.4 million); ZMW6.6 million (USD0.3 million) (2020: ZMW176.3 million [USD8.7 million]; ZMW14.4 million [USD0.9 million]) is affected by price changes in different market segments, and ZMW821.7 million (USD38.9 million) (2020: ZMW524.4 million [USD32.4 million]) is affected by physical changes in different segments. Refer to note 16.

Inventories are measured at the lower of cost and net realizable value. In estimating net realizable values, management considers the most reliable evidence available at the times the estimates are made. Future realization of the carrying amounts of inventory assets of ZMW1,198 million (USD71.6 million) (2020: ZMW1,103.6 million [USD54.8 million]) is affected by price changes in different market segments.

(ii) Impairment of financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Notes 13 and 18).

(iii) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses amount (as analysed in Note 25).

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

4. Management of financial risk

The Group's Board of Directors believes that the Group is well positioned in an improving economy. Factors contributing to the Group's strong position are:

- (a) Increase in the retail foot print of the Group.
- (b) Increase in production facilities of the Group, leading to higher volumes available for retail.
- (c) Improvements in the management team across various areas of the Group leading to positive reinforcement of strong operational synergies.

Overall, the Group is in a strong position and has sufficient capital and liquidity to service its operating activities and debt.

4.1 Financial risk

The Group is exposed to a range of financial risks through its financial assets and financial liabilities. The most important components of this financial risk are cash flow risk, interest rate risk, foreign exchange risk and credit risk. These risks are exposed to general and specific market movements.

The Group manages these positions with a framework that has been developed to monitor its customers and return on its investments.

4.2 Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The area where the Group is exposed to credit risk is amounts due from customers.

The Group structures the levels of credit risk it accepts by placing limits on its exposure to the level of credit given to a single customer. Such risk is subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved annually by the Board of Directors.

4.3 Interest risk

The Group has exposure to both variable and fixed interest rates on its borrowings. The area where the Group is exposed to interest risk is where the variable rate benchmark such as LIBOR, Zambian Treasury Bill rate, or the Bank of Zambia Policy rate may change.

The Group structures its debt with low spreads over the variable rate benchmark and protects itself with matching fixed interest rates on its borrowings. Management periodically review economic conditions relating to such variable benchmarks and is allowed to consider alternate debt structures where the need may arise.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

4. Management of financial risk (continued)

4.4 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group sets the amount of capital in proportion to its overall financing structure. The Group manages the capital structure and adjusts it in the light of the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of the dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital structure

(i) In Zambian Kwacha	2021	2020
	ZMW'000s	ZMW'000s
Cash and cash equivalents	(288,665)	(236,909)
Interest bearing liabilities	(425,935)	(560,126)
Equity	3,841,987	3,770,739
	3,127,387	2,973,704

(ii) In United States Dollars	2021	2020
	USD'000s	USD'000s
Cash and cash equivalents	(17,244)	(11,763)
Interest bearing liabilities	(25,444)	(27,812)
Equity	229,510	187,226
	186,822	147,651

The Directors define capital as equity plus cash less borrowings and its financial strategy in the short term is to minimize the level of debt in the business whilst ensuring sufficient finances are available to continue the Group's business activities.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

4. Management of financial risk (continued)

4.5 Foreign exchange risk

The Group is exposed to foreign exchange risk arising from exchange rate fluctuations. Foreign currency denominated purchases and sales, together with foreign currency denominated borrowings, comprise the currency risk of the Group. These risks are minimised by matching the foreign currency receipts to the foreign currency payments as well as holding foreign currency bank accounts and export sales.

4.6 Agricultural risk

Agricultural production by its nature contains elements of significant risks and uncertainties which may adversely affect the business and operations of the Group, including but not limited to the following:

- (i) any future climate change with a potential shift in weather patterns leading to floods or droughts and associated crop losses;
- (ii) potential insect, fungal and weed infestations resulting in crop failure and reduced yields;
- (iii) wild and domestic animal conflicts and crop raiding; and
- (iv) livestock disease outbreaks. Adverse weather conditions represent a significant operating risk to the business, affecting the quality and quantity of production and the levels of farm inputs.

The Group minimises these risks through a robust insurance policy on biological stock (crop and livestock) and grain inventory.

5. Segmental reporting

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Makers ('CODMs'), which is the Chief Executive Officer and Chief Financial Officer, to make decisions about the allocation of resources and assessment of performance about which discrete financial information is available. Gross margins and other operating results are reviewed by the CODM and used for such purposes; some of the other costs are shared. The CODM reviews information regarding the operating divisions which match the main external revenues earned by the Group, and management information regarding the operating assets and liabilities of the main business divisions within the Group.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

5. Segmental reporting (continued)

Year ended 30 September 2021

The segment information for the reporting period is as follows:

(i) In Zambian Kwacha

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Retailing – Zambia	-	2,579,905	-	203,236
Master Meats Nigeria	256,481	-	48,805	-
Master Meats Ghana	70,079	-	19,220	-
Retailing West Africa	-	326,560	-	68,025
Total Retailing	-	2,906,465	-	271,261
Beef	630,140	-	161,232	-
Chicken	436,035	-	84,452	-
Day old chicks	224,577	-	135,108	-
Pork	396,788	-	49,225	-
Milk and dairy	278,913	-	109,735	-
Eggs	87,780	-	16,434	-
Total Cold Chain Food Production	-	2,054,233	-	556,186
Gross Combined Retail and CCFP	-	4,960,698	-	827,447
Less: Intra/Inter Sales	-	(1,705,769)	-	-
Combined Retail & CCFP	-	3,254,929	-	827,447
Stock Feed	-	1,747,742	-	300,436
Crops	-	754,385	-	272,254
Mill and Bakery	293,730	-	44,564	-
Leather and shoe	49,661	-	26,015	-
Total Other	-	343,391	-	70,579
Total	-	6,100,447	-	1,470,716
Less: Intra/Inter Group Sales	-	(1,126,096)	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

5. Segmental reporting (continued)

Year ended 30 September 2021 (continued)

(i) In Zambian Kwacha

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Group total	-	4,974,351	-	1,470,716
Central operating costs and other income	-	-	-	(1,203,386)
Operating profit	-	-	-	267,330
Foreign exchange losses	-	-	-	23,332
Profit from asset held for sale	-	-	-	31,949
Finance costs	-	-	-	(115,282)
Share of loss on equity accounted investment	-	-	-	(3,358)
Profit before tax	-	-	-	203,971

Segment	Zambia	Nigeria	Ghana	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Cold Chain Food Production	4,634,138	256,481	70,079	4,960,698
Stockfeed	1,747,742	-	-	1,747,742
Cropping	754,385	-	-	754,385
Other	343,391	-	-	343,391
Sub-total	7,479,656	256,481	70,079	7,806,216
Intra/inter group sales	(2,831,865)	-	-	(2,831,865)
Total	4,647,791	256,481	70,079	4,974,351

Operating assets/(liabilities)	Zambeef	Retailing	Masterpork	Other	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Property plant and equipment	2,166,483	302,382	94,940	551,213	3,115,018
Biological assets and inventories	1,080,919	124,393	59,560	291,971	1,556,843
Cash, cash equivalents and bank overdrafts	(193,224)	(139,704)	17,162	27,101	(288,665)
Trade and other receivables	91,702	26,331	42,823	73,220	234,076
Trade and other payables	(412,703)	(111,754)	(18,052)	(90,901)	(633,410)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

5. Segmental reporting (continued)

Year ended 30 September 2020

The segment information for the reporting period is as follows:

(i) In Zambian Kwacha

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Retailing – Zambia	-	2,177,555	-	188,754
Master Meats Nigeria	164,275	-	37,924	-
Master Meats Ghana	54,483	-	16,699	-
Retailing West Africa	-	218,758	-	54,623
Total Retailing	-	2,396,313	-	243,377
Beef	522,585	-	164,307	-
Chicken	300,668	-	39,037	-
Day old chicks	128,326	-	53,126	-
Pork	285,581	-	53,194	-
Milk and dairy	218,207	-	91,760	--
Eggs	61,004	-	(148)	-
Total Cold Chain Food Production	-	1,516,371	-	401,276
Gross Combined Retail and CCFP	-	3,912,684	-	644,653
Less: Intra/Inter Sales	-	(1,399,926)	-	-
Combined Retail & CCFP	-	2,512,758	-	644,653
Stock Feed	-	1,331,965	-	255,888
Crops	-	651,560	-	266,405
Mill and Bakery	173,659	-	34,107	-
Leather and shoe	29,950	-	14,569	-
Total Other	-	203,609	-	48,676
Total	-	4,699,892	-	1,215,622
Less: Intra/Inter Group Sales	-	(824,788)	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

5. Segmental reporting (continued)

Year ended 30 September 2020 (continued)

(i) In Zambian Kwacha

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Group total	-	3,875,104	-	1,215,622
Central operating costs and other income	-	-	-	(1,005,091)
Operating profit	-	-	-	210,531
Foreign exchange losses	-	-	-	(137,705)
Finance costs	-	-	-	(92,322)
Share of loss on equity accounted investment	-	-	-	(3,177)
Loss before tax	-	-	-	(22,673)

Segment	Zambia	Nigeria	Ghana	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Cold Chain Food Production	3,693,926	164,275	54,483	3,912,684
Stockfeed	1,331,965	-	-	1,331,965
Cropping	651,560	-	-	651,560
Other	203,609	-	-	203,609
Sub-total	5,881,060	164,275	54,483	6,099,818
Intra/inter group sales	(2,224,714)	-	-	(2,224,714)
Total	3,656,346	164,275	54,483	3,875,104

Operating assets/(liabilities)	Zambeef	Retailing	Masterpork	Other	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Property plant and equipment	2,476,394	224,825	81,835	481,451	3,264,505
Biological assets and inventories	953,583	81,293	25,930	219,139	1,279,945
Cash, cash equivalents and bank overdrafts	(158,177)	(119,683)	5,257	35,694	(236,909)
Trade and other receivables	50,555	15,436	14,121	52,556	132,668
Trade and other payables	(232,842)	(33,502)	(3,589)	(51,715)	(321,648)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

5. Segmental reporting (continued)

Year ended 30 September 2021

(ii) In US Dollars

Segment	Revenue USD'000s	Revenue USD'000s	Gross Profit USD'000s	Gross Profit USD'000s
Retailing – Zambia	-	122,155	-	9,623
Master Meats Nigeria	12,144	-	2,311	-
Master Meats Ghana	3,318	-	910	-
Retail – West Africa	-	15,462	-	3,221
Total Retailing	-	137,617	-	12,844
Beef	29,836	-	7,634	-
Chicken	20,646	-	3,999	-
Day old chicks	10,633	-	6,397	-
Pork	18,787	-	2,331	-
Milk and dairy	13,206	-	5,196	-
Eggs	4,156	-	778	-
Total Cold Chain Food Production	-	97,264	-	26,335
Gross Combined Retail and CCFP	-	234,881	-	39,179
Less: Intra/Inter Sales	-	(80,766)	-	-
Combined Retail & CCFP	-	154,115	-	39,179
Stock Feed	-	82,753	-	14,224
Crops	-	35,719	-	12,891
Mill and Bakery	13,908	-	2,110	-
Leather and shoe	2,352	-	1,232	-
Total Other	-	16,260	-	3,342
Total	-	288,847	-	69,636
Less: Intra/Inter Group Sales	-	(53,319)	-	-
Group total	-	235,528	-	69,636
Central operating costs and other income	-	-	-	(56,978)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

5. Segmental reporting (continued) Year ended 30 September 2021

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	USD'000s	USD'000s	USD'000s	USD'000s
Operating profit	-	-	-	12,658
Foreign exchange losses	-	-	-	1,105
Profit from asset held for sale	-	-	-	1,513
Finance costs	-	-	-	(5,458)
Share of loss on equity accounted investment	-	-	-	(159)
Profit before tax	-	-	-	9,658

Segment	Zambia	Nigeria	Ghana	Total
	USD'000s	USD'000s	USD'000s	USD'000s
Cold Chain Food Production	219,420	12,144	3,318	234,882
Stockfeed	82,753	-	-	82,753
Cropping	35,719	-	-	35,719
Other	16,259	-	-	16,259
Sub-total	354,151	12,144	3,318	369,613
Intra/inter group sales	(134,085)	-	-	(134,085)
Total	220,066	12,144	3,318	235,528

Operating assets/(liabilities)	Zambeef	Retailing	Masterpork	Other	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Property plant and equipment	129,420	18,063	5,671	32,928	186,082
Biological assets and inventories	64,571	7,431	3,558	17,441	93,001
Cash, cash equivalents and bank overdrafts	(11,543)	(8,346)	1,025	1,620	(17,244)
Trade and other receivables	5,478	1,574	2,558	4,373	13,983
Trade and other payables	(24,795)	(6,769)	(1,078)	(5,195)	(37,837)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

5. Segmental reporting (continued)

Year ended 30 September 2020

(ii) In US Dollars

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	USD'000s	USD'000s	USD'000s	USD'000s
Retailing – Zambia	-	134,666	-	11,673
Master Meats Nigeria	10,159	-	2,345	-
Master Meats Ghana	3,369	-	1,033	-
Retail – West Africa	-	13,528	-	3,378
Total Retailing	-	148,194	-	15,051
Beef	32,318	-	10,161	-
Chicken	18,594	-	2,414	-
Day old chicks	7,936	-	3,285	-
Pork	17,661	-	3,291	-
Milk and dairy	13,495	-	5,675	-
Eggs	3,773	-	(9)	-
Total Cold Chain Food Production	-	93,777	-	24,817
Gross Combined Retail and CCFP	-	241,971	-	39,868
Less: Intra/Inter Sales	-	(86,576)	-	-
Combined Retail & CCFP	-	155,395	-	39,868
Stock Feed	-	82,373	-	15,824
Crops	-	40,294	-	16,476
Mill and Bakery	10,740	-	2,109	-
Leather and shoe	1,852	-	901	-
Total Other	-	12,592	-	3,010
Total	-	290,654	-	75,178
Less: Intra/Inter Group Sales	-	(51,006)	-	-
Group total	-	239,648	-	75,178
Central operating costs and other income	-	-	-	(62,158)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

5. Segmental reporting (continued)

Year ended 30 September 2020

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	USD'000s	USD'000s	USD'000s	USD'000s
Operating profit				13,020
Foreign exchange losses				(8,516)
Finance costs				(5,709)
Share of loss on equity accounted investment				(197)
Loss before tax				(1,402)

Segment	Zambia	Nigeria	Ghana	Total
	USD'000s	USD'000s	USD'000s	USD'000s
Cold Chain Food Production	228,444	10,159	3,369	241,972
Stockfeed	82,373	-	-	82,373
Cropping	40,294	-	-	40,294
Other	12,592	-	-	12,592
Sub-total	363,703	10,159	3,369	377,231
Intra/inter group sales	(137,583)	-	-	(137,583)
Total	226,120	10,159	3,369	239,648

Operating assets/ (liabilities)	Zambeef	Retailing	Masterpork	Other	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Property plant and equipment	122,959	11,163	4,063	23,906	162,091
Biological assets and inventories	47,347	4,036	1,288	10,881	63,552
Cash, cash equivalents and bank overdrafts	(7,854)	(5,943)	261	1,773	(11,763)
Trade and other receivables	2,510	766	701	2,610	6,587
Trade and other payables	(11,561)	(1,663)	(519)	(2,228)	(15,971)

Geographical	2021				2020			
	Revenues		Non-current assets		Revenues		Non-current assets	
	ZMW'000s	ZMW'000s	USD'000s	USD'000s	ZMW'000s	ZMW'000s	USD'000s	USD'000s
Zambia	4,610,294	3,081,088	218,290	184,055	3,618,848	3,236,288	223,794	160,690
West Africa	326,560	33,930	15,463	2,027	218,759	28,217	13,529	1,401
Rest of world	37,497	-	1,775	-	37,497	-	2,325	-
	4,974,351	3,115,018	235,528	186,082	3,875,104	3,264,505	239,648	162,091

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

6. Other income

Other income is mainly derived from the rental income received by the letting out of guest houses on Mpongwe farm and sale of scrap.

7. Operating profit

(a) Administration expenses (Zambian Kwacha ZMW)

	2021		2020	
	Group ZMW'000s	Company ZMW'000s	Group ZMW'000s	Company ZMW'000s
Depreciation				
– Owned assets	142,974	84,382	125,150	74,440
– Leased assets	24,787	10,531	16,258	6,022
Staff costs	626,772	352,995	493,484	255,721
Legal and other professional fees	30,124	30,124	7,568	7,229
Directors' remuneration				
– Executive	13,238	13,238	11,555	11,555
– Non-Executive	3,437	3,437	3,374	3,374
	16,675	16,675	14,929	14,929
Auditors' remuneration				
– Audit services	5,700	5,700	4,825	4,560
– Non audit services	-	-	-	-
	5,700	5,700	4,825	4,560
Allowance for credit losses	11,743	6,063	6,980	3,937
(Loss) on disposal of property, plant and equipment	-	-	(4,796)	(1,216)
Rentals under operating leases	-	-	1,359	-
Repairs and maintenance	119,157	58,286	85,941	41,612
Water and electricity	70,989	42,977	66,078	45,418
Other administration expenses	101,737	30,158	127,422	33,361
Total Administration costs	1,150,658	637,891	945,198	486,013

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

7. Operating profit (continued)

(a) Administration costs (US Dollars USD) (continued)

	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Depreciation	-	-	-	-
- Owned assets	6,790	3,995	7,740	4,604
- Leased assets	1,174	499	1,005	372
Staff costs	29,677	16,714	30,518	15,815
Legal and other professional fees	1,426	1,426	468	447
Directors' remuneration				
- Executive	626	626	716	716
- Non-Executive	162	162	209	209
	788	788	925	925
Auditors' remuneration				
- Audit services	270	270	298	282
- Non audit services	-	-	-	-
	270	270	298	282
Allowance for credit losses	701	362	432	243
(Loss)/profit on disposal of property, plant and equipment	-	-	(32)	(75)
Rentals under operating leases	-	-	84	-
Repairs and maintenance	5,641	2,760	5,315	2,573
Water and electricity	3,361	2,035	4,086	2,808
Other administration expenses	4,654	1,354	7,615	2,062
Total Administration costs	54,482	30,203	58,454	30,056

(b) Distribution costs

	2021		2020	
	Group	Company	Group	Company
	ZMW'000	USD'000	ZMW'000	USD'000
Salaries and Wages	21,771	1,031	21,808	1,349
Depreciation	14,527	688	13,179	815
Repairs and Maintenance	11,641	551	15,460	956
Levies and Licences	5,985	283	6,009	372
Transport	5,680	269	3,389	210
Boarding and Lodging	2,709	128	2,018	125
Insurance	1,730	82	2,137	132
Satellite	1,262	60	798	49
Travel	559	26	1,308	81
Other	984	47	664	40
Totals	66,848	3,165	66,770	4,129

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

8. Staff costs

The Group employed an average of 7,029 employees during the year ended 30 September 2021 (2020: 7,082).

	2021 Number	2020 Number
Zambeef Products PLC, Zambeef Retailing Limited, Zam Chick Limited, Zamhatch Limited & Zamleather Limited	6,444	6,467
Master Pork Limited	271	299
Foreign Subsidiaries	314	316
Total	7,029	7,082

Employee costs for all employees of the Group, including Executive Directors, were:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Salaries and wages	554,341	26,247	449,513	27,799
Social security costs	39,518	1,871	21,980	1,359
Pension costs	32,913	1,558	21,991	1,360
	626,772	29,676	493,484	30,518

Details of Directors' contracts may be found in the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

9. Finance costs

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Interest on bank loans and overdrafts	113,648	5,381	90,190	5,577
Lease cost	1,634	77	2,132	132
Total	115,282	5,458	92,322	5,709

10. Taxation

The Group has various tax rates applicable on the basis of individual entities being defined as agricultural entities or divisions (income tax rate of 10%) or manufacturing entities or divisions (income tax rate of 35%).

(i) In Zambian Kwacha	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
(a) Tax charge				
Current tax:				
Tax charge	16,541	1,042	5,172	6,277
Deferred tax:				
Deferred taxation (note 10(e))	18,607	14,753	107,785	34,523
Tax charge/(credit) for the year	35,148	15,795	112,957	40,800

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

10. Taxation (continued)

	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
(b) Reconciliation of tax charge				
Profit/(loss) before taxation	203,971	147,144	(22,673)	34,203
Applicable tax rates range from 10% to 35% depending on the activities of the entities within the group.				
Expected tax expense	(7,870)	14,714	(34,982)	3,420
Adjustment for non-deductible expenses;				
Non-cash fringe benefits	2,443	1,182	14,619	7,475
Telephone and internet	132	77	335	294
Other non-deductible expenses*	3,975	(178)	45,015	29,611
Unrecognised deferred tax asset for the year **	36,468	-	87,970	-
Tax charge for the year	35,148	15,795	112,957	40,800
(c) Movement in taxation account				
Taxation recoverable at 1 October	(1,743)	(565)	(1,390)	(1,529)
Charge for the year	16,541	1,042	5,172	6,278
Taxation paid	(4,734)	(2,997)	(5,525)	(5,314)
Taxation payable/(recoverable) as at 30 September	10,064	(2,520)	(1,743)	(565)
Analysed as follows:				
Taxation payable	13,771	-	41	-
Taxation recoverable	(3,707)	(2,520)	(1,784)	(565)
	10,064	(2,520)	(1,743)	(565)

* The non-deductible expenses for 2020 included the balancing charge and contingent fees relating to the disposal of the Sinazongwe farm.

** The 2020 unrecognised deferred tax asset refers to the reversal of the prior periods deferred tax asset and the amount for 2021 is the deferred tax movement that has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

10. Taxation (continued)

(d) Tax returns for the year ended 30 September 2021 will be made on the due date.

(e) Deferred taxation

	Group			Company		
	1 October	Recognised in profit or loss	30 September	1 October	Recognised in profit or loss	30 September
	ZMW'000	ZMW'000	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Year ended 30 September 2021						
Temporary Differences/ Biological Valuation	18,287	17,612	35,899	14,929	15,866	30,795
Property and Equipment	106,198	(13,672)	92,526	63,300	(6,019)	57,281
Tax Loss	(54,446)	26,263	(28,183)	(33,074)	14,784	(18,290)
Other Provisions	(9,640)	(11,596)	(21,236)	(4,002)	(9,878)	(13,880)
Deferred Income Tax Liability	60,399	18,607	79,006	41,153	14,753	55,906
Year ended 30 September 2020						
Temporary Differences/ Biological Valuation	14,162	4,125	18,287	13,716	1,213	14,929
Property and Equipment	58,464	47,734	106,198	60,872	2,428	63,300
Tax Loss	(111,277)	56,831	(54,446)	(65,175)	32,101	(33,074)
Other Provisions	(8,736)	(903)	(9,640)	(2,783)	(1,219)	(4,002)
Deferred Income Tax Liability	(47,387)	107,787	60,399	6,630	34,523	41,153

Summary	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Deferred tax asset	(9,050)	-	(9,552)	-
Deferred tax liability	88,056	55,906	69,952	41,153
	79,006	55,906	60,400	41,153

(f) Movement in the tax losses within the group

	ZMW'000s	USD'000s
Opening balance at 1 October 2020	668,483	31,652
Arising during the year	36,696	1,737
Utilised during the year	(271,518)	(12,856)
Expired during the year	(20,170)	(955)
Closing balance at 30 September 2021	413,491	19,578

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

10. Taxation (continued)

(ii) In US Dollars	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
(a) Tax charge				
Current tax:				
Tax charge	783	49	320	388
Deferred tax:				
Deferred taxation (note 10(e))	881	699	6,666	2,135
Tax charge/ (credit) for the year	1,664	748	6,986	2,523

(b) Reconciliation of tax charge

	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Profit/(loss) before taxation	9,658	6,967	(1,402)	4,088
Expected tax expense	(373)	697	(2,163)	212
Adjustment for non-deductible expenses				
Non-cash fringe benefits	116	56	904	462
Telephone and internet	6	3	21	18
Other non-deductible expenses*	188	(8)	2,784	1,831
Unrecognised deferred tax asset for the year**	1,727	-	5,440	-
Tax charge for the year	1,664	748	6,986	2,523

* The non-deductible expenses for 2020 included the balancing charge and contingent fees relating to the disposal of the Sinazongwe farm.

** The 2020 unrecognised deferred tax asset refers to the reversal of the prior periods deferred tax asset and the amount for 2021 is the deferred tax movement that has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

10. Taxation (continued)

(c) Movement in taxation account

	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Taxation recoverable at 1 October	(87)	(28)	(106)	(115)
Charge for the year	783	49	320	388
Taxation paid	(224)	(142)	(342)	(328)
Foreign exchange differences	129	(30)	41	27
Taxation payable/(recoverable) as at 30 September	601	(151)	(87)	(28)
Analysed as follows:				
Taxation payable	823	-	2	-
Taxation recoverable	(221)	(151)	(89)	(28)
	601	(151)	(87)	(28)

(d) Tax returns for the year ended 30 September 2020 will be made on the due date.

(e) Deferred taxation

	Group				Company			
	1 October	Recognised in profit or loss	Foreign Translation	30 September	1 October	Recognised in profit or loss	Foreign Translation	30 September
	USD'000	USD'000		USD'000	USD'000	USD'000		USD'000
Year ended 30 Sept 2021								
Temporary Differences/ Biological Valuation	908	833	403	2,144	923	751	165	1,840
Property and Equipment	5,273	(647)	901	5,527	3,915	(285)	(208)	3,422
Tax Loss	(2,703)	1,243	(224)	(1,684)	(2,547)	700	754	(1,092)
Other Provisions	(479)	(548)	(241)	(1,268)	(248)	(467)	(113)	(830)
Deferred Income Tax Liability	2,999	881	839	4,719	2,043	699	598	3,340
Year ended 30 Sept 2020								
Temporary Differences/ Biological Valuation	1,073	(165)	-	908	1,113	(190)	-	923
Property and Equipment	4,429	844	-	5,273	4,941	(1,026)	-	3,915
Tax Loss	(8,430)	5,727	-	(2,703)	(5,326)	2,779	-	(2,547)
Other Provisions	(662)	183	-	(479)	(226)	(22)	-	(248)
Foreign Exchange Translation	-	77	-	-	-	594	-	-
Deferred Income Tax Liability	(3,590)	6,666	-	2,999	502	2,135	-	2,043

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

10. Taxation (continued)

(e) Deferred taxation (continued)

	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Deferred tax asset	(541)	-	(474)	-
Deferred tax liability	5,260	3,340	3,473	2,043
	4,719	3,340	2,999	2,043

All deferred tax assets (including tax losses and other tax credits) have been recognised in the statement of financial position.

11. Dividends

There has been no dividend paid or proposed for 2021 (2020: ZMW nil).

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

12. Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company as the numerator, i.e., no adjustments to profit were necessary in 2020 or 2021. For diluted earnings per share, the number of shares used in the calculation of EPS includes preference shares.

Basic earnings per share have been calculated in accordance with IAS 33 which requires that earnings should be based on the net profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period.

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Basic earnings per share				
Profit/(loss) for the year	167,980	7,955	(103,419)	(6,396)
Weighted average number of ordinary shares for the purposes of basic earnings per share.	300,580	300,580	300,580	300,580
Preference shares	100,058	100,058	100,058	100,058
Weighted average number of ordinary shares for the purposes of diluted earnings per share.	400,638	400,638	400,638	400,638
	Ngwee	US cents	Ngwee	US cents
Basic earnings per share (ZMW ngwee and US cents) – Continued operations	55.89	2.65	(45.12)	(2.79)
Basic earnings per share (ZMW ngwee and US cents) – Discontinued operations	-	-	11.12	0.69
Total Basic earnings per share (ZMW ngwee and US cents)	55.89	2.65	(34.00)	(2.10)
Diluted earnings per share				
Diluted earnings per share – continued operations	41.92	1.99	(45.12)	(2.79)
Diluted earnings per share – discontinued operations	-	-	11.12	0.69
Total diluted earnings per share	41.92	1.99	(34.00)	(2.10)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

13. Goodwill

	ZMW'000s	USD'000s
Cost and Net Book Value		
At 1 October 2019	166,801	12,636
Foreign exchange difference	-	(4,354)
At 30 September 2020	166,801	8,282
Foreign exchange difference	-	1,682
At 30 September 2021	166,801	9,964

For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating units, which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises, as set out below, and is compared to its recoverable value:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Masterpork	15,699	938	15,699	779
ZamChick	141,786	8,470	141,786	7,040
Zamhatch	9,316	556	9,316	463
	166,801	9,964	166,801	8,282

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a growth rate determined by management. The present value of the expected cash flows of each segment is determined by applying a discount rate which reflects the Group's cost of borrowing and adjusted for specific risks that apply to each segment.

The Group tests annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

The Board's key assumptions are based on their past experience and future expectations of the market over the longer term, but not exceeding five years. The Group's cost of external borrowing adjusted for dividend payment history, currency risk and in accordance with IAS 36 'Impairment of Assets' is 15%. In arriving at the individual segment discount rate, management considered risks that are specific to each unit. The discount rates used in the value in use calculation for Masterpork, Zamchick and Zamhatch are 17%, 15.5% and 15% respectively.

Masterpork, Zamchick and Zamhatch are expected to achieve a minimum revenue and profitability growth rate of 10%, 9%, 6% based on past growth recorded and future expected growth, and in light of projected increase in Zambia's population and therefore protein consumption.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

13. Goodwill (continued)

Due to the significant headroom within historical impairment calculations, assumptions including growth rates of cash flows and changes to selling prices and direct costs have not been sensitised. Therefore, management is not aware of any significant risk of material adjustment to the goodwill figure in the next financial year. Management's key assumptions on the cashflow include stable increase in profit margins based on the increase in consumption in the domestic market.

Recoverable amount of each operating unit is as follows:

	2021	2021	2020	2020
	ZMW'000	USD'000	ZMW'000	USD'000
Masterpork	185,633	11,089	125,313	6,222
Zamchick	321,184	19,187	489,678	24,314
Zamhatch	801,831	47,899	1,171,154	58,151
Total	1,308,648	78,175	1,786,145	88,687

The Board is not aware of any other changes that would necessitate changes to its calculations.

14. Property, plant and equipment

(i) In Zambian Kwacha

(a) Group	Land and buildings	Aircraft	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Cost or valuation							
As at 1 October 2019	2,043,052	865	874,965	76,528	31,617	25,785	3,052,812
Exchange differences	516,215	-	128,710	1,369	820	-	647,114
Additions	7,938	-	27,071	10,079	4,551	43,025	92,664
Adjustment for transition to IFRS16	15,425	-	-	-	-	-	15,425
Disposals	(1,153)	-	(4,875)	(3,203)	(55)	(4,102)	(13,388)
Transfer to held for sale	(146,063)	-	(48,406)	(787)	(387)	-	(195,643)
Transfers	11,499	-	28,720	11,406	2,061	(53,686)	-
As at 30 September 2020	2,446,913	865	1,006,185	95,392	38,607	11,022	3,598,984
Exchange differences	(249,093)	-	(40,472)	(1381)	(505)	-	(291,451)
Additions	16,799	-	24,739	19,671	8,276	47,144	116,629
Disposals	-	(865)	(1,420)	(2,106)	(69)	-	(4,460)
Revaluation	6,906	-	(277,506)	(18,712)	(4,895)	-	(294,207)
Transfers	18,688	-	11,898	865	556	(32,007)	-
As at 30 September 2021	2,240,213	-	723,424	93,729	41,970	26,159	3,125,495
Cost	1,024,486	-	529,199	69,225	30,857	26,159	1,679,925
Revaluation	1,250,727	-	194,225	24,504	11,113	-	1,445,570
	2,240,213	-	723,424	93,729	41,970	26,159	3,121,495

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

14. Property, plant and equipment (continued)

(a) Group (continued)	Land and buildings ZMW'000s	Aircraft ZMW'000s	Plant and machinery ZMW'000s	Motor vehicles ZMW'000s	Furniture and equipment ZMW'000s	Capital work in progress ZMW'000s	Total ZMW'000s
Depreciation							
As at 1 October 2019	31,036	173	142,639	31,859	5,281	-	210,988
Exchange difference	(728)	-	(1,897)	(982)	(543)	-	(4,150)
Charge for the year	19,304	86	95,912	21,893	4,213	-	141,408
Charge on right of use assets	8,362	-	-	-	-	-	8,362
Disposals	-	-	(598)	(1,536)	(6)	-	(2,140)
Transfer to held for sale	(5,044)	-	(14,507)	(329)	(109)	-	(19,989)
As at 30 September 2020	52,930	259	221,549	50,905	8,836	-	334,479
Exchange difference	507	-	4,144	(698)	(37)	-	3,958
Charge for the year	26,629	-	104,820	24,404	4,618	-	160,472
Disposals	-	(259)	(401)	(1,102)	(60)	-	(1,822)
Revaluation	(76,814)	-	(325,969)	(71,568)	(12,259)	-	(486,610)
As at 30 September 2021	3,252	-	4,144	1,941	1,098	42	10,477
Net book value							
At 30 September 2021	2,236,961	-	719,280	91,788	40,872	26,117	3,115,018
At 30 September 2020	2,393,983	606	784,636	44,487	29,771	11,022	3,264,505

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

14. Property, plant and equipment (continued)

(b) Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Land and buildings	Retail outlets	Farm equipment	Production equipment	Motor vehicles and trailers	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Gross carrying amount						
At 1 October 2020	3,128	12,297	23,874	30,927	5,580	75,806
Additions	1,633	6,210	5,735	-	-	13,578
Disposals	-	-	-	(5,964)	-	(5,964)
At 30 September 2021	4,761	18,507	29,609	24,963	5,580	83,420
Depreciation and impairment						
At 1 October 2020	1,098	7,264	5,651	9,278	1,329	24,620
Disposals	-	-	-	(1,789)	-	(1,789)
Depreciation	2,092	7,312	3,854	2,496	1,552	17,306
At 30 September 2021	3,190	14,576	9,505	9,985	2,881	40,137
Carrying amount 30 September 2021	1,571	3,931	20,104	14,978	2,699	43,283
Gross carrying amount						
At 1 October 2019	-	-	23,874	30,927	1,560	56,361
Adjustment on transition to IFRS 16	3,128	12,297	-	-	-	15,425
Additions	-	-	-	-	4,020	4,020
Disposals	-	-	-	-	-	-
At 30 September 2020	3,128	12,297	23,874	30,927	5,580	75,806
Depreciation and impairment						
At 1 October 2019	-	-	2,334	6,185	366	8,885
Adjustment on transition to IFRS 16	1,098	7,264	-	-	-	8,362
Depreciation	-	-	3,317	3,093	963	7,373
At 30 September 2020	1,098	7,264	5,651	9,278	1,329	24,620
Carrying amount 30 September 2020	2,030	5,033	18,223	21,649	4,251	51,186

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

14. Property, plant and equipment (continued)

(ii) In US Dollars

(a) Group	Land and buildings	Aircraft	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Cost or valuation							
As at 1 October 2019	154,777	66	66,284	5,798	2,396	1,953	231,274
Foreign translation	(26,534)	(23)	(16,480)	(2,144)	(861)	(104)	(46,146)
Additions	491	-	1,674	623	281	2,661	5,730
Adjustment for transition to IFRS16	954	-	-	-	-	-	954
Transfers	711	-	1,776	705	128	(3,320)	-
Disposals	(71)	-	(301)	(198)	(3)	(254)	(827)
Transfer to held for sale	(9,033)	-	(2,994)	(49)	(23)	-	(12,099)
As at 30 September 2020	121,295	43	49,959	4,735	1,918	936	178,886
Foreign translation	10,522	(2)	4,728	877	406	(90)	16,441
Additions	795	-	1,171	931	392	2,232	5,522
Transfers	885	-	563	41	26	(1,515)	-
Disposals	-	(41)	(67)	(100)	(3)	-	(211)
Revaluation	327	-	(13,139)	(886)	(232)	-	(13,930)
As at 30 September 2021	133,824	-	43,215	5,599	2,507	1,563	186,708
Cost	61,200	-	31,613	4,135	1,843	1,563	100,354
Revaluation	72,624	-	11,603	1,463	664	-	86,354
	133,824	-	43,215	5,598	2,507	1,563	186,708

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

14. Property, plant and equipment (continued)

	Land and buildings USD'000s	Aircraft USD'000s	Plant and machinery USD'000s	Motor vehicles USD'000s	Furniture and equipment USD'000s	Capital work in progress USD'000s	Total USD'000s
Depreciation							
As at 1 October 2019	2,351	13	10,807	2,413	400	-	15,984
Charge for the year	1,194	5	5,931	1,354	261	-	8,745
Charge on right of use assets	517	-	-	-	-	-	517
Disposals	-	-	(37)	(95)	-	-	(132)
Transfer to held for sale	(312)	-	(897)	(20)	(7)	-	(1,236)
Foreign Translation	(1,020)	(5)	(4,623)	(1,219)	(216)	-	(7,083)
As at 30 September 2020	2,730	13	11,181	2,433	438	-	16,795
Charge for the year	1,261	-	4,963	1,155	219	-	7,598
Disposals	-	(12)	(19)	(57)	(3)	-	(86)
Foreign Translation	(160)	(1)	(443)	(32)	(8)	3	(641)
Revaluation	(3,637)	-	(15,434)	(3,389)	(580)	-	(23,040)
As at 30 September 2021	194	-	248	116	65	3	626
Net book value							
At 30 September 2021	133,629	-	42,988	5,466	2,436	1,562	186,082
At 30 September 2020	118,565	30	38,778	2,302	1,480	936	162,091

- (a) The Group's property, plant and equipment situated in Zambia were revalued as at 30 September 2021 by Messrs Fairworld Properties Limited, Registered Valuation Surveyors, on the basis of market value. The surplus on valuation totalling ZMW192.4million (USD9.1 million) was transferred to a revaluation reserve.
- (b) The depreciation charge for the year includes ZMW44.4 million (USD2.1 million) (2020: ZMW31.3 million [USD1.9 million]) which relates to the surplus over the original cost of fixed assets shown at a valuation. As this amount should not be taken to reduce the Group's distributable reserve, an equivalent amount has been transferred to distributable reserve from revaluation reserve.
- (c) The capital work in progress depicts all capital expenditure items on projects that are yet to be completed.
- (d) In the opinion of the Directors, the carrying values of property, plant and equipment stated above are not higher than their fair values.
- (e) If the cost model had been used, the carrying amounts of the property plant and equipment would be ZMW783,131 thousand - USD46,782 thousand (2020: ZMW952,751 thousand - USD47,853). The revalued amounts include a revaluation surplus of ZMW1,336,606 thousand before tax (2020: ZMW1,167,913 thousand), which is not available for distribution to the shareholders of Zambeef Products PLC.

	Land and buildings ZMW'000s	Aircraft ZMW'000s	Plant and machinery ZMW'000s	Motor vehicles ZMW'000s	Furniture and equipment ZMW'000s	Capital work in progress ZMW'000s	Total ZMW'000s
At 30 September 2021	508,127	-	128,300	58,691	40,869	47,144	783,131
At 30 September 2020	531,091	-	313,557	66,755	41,327	11,021	963,751
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
At 30 September 2021	30,354	-	7,664	3,506	2,441	2,816	46,782
At 30 September 2020	26,370	-	15,569	3,315	2,052	547	47,853

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

14. Property, plant and equipment (continued)

(f) Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Land and buildings	Retail outlets	Farm equipment	Production equipment	Motor vehicles and trailers	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Gross carrying amount						
At 1 October 2020	155	611	1,185	1,536	277	3,764
Additions	98	371	344	-	-	813
Disposals	-	-	-	(356)	-	(356)
Exchange differences	31	124	241	311	56	763
At 30 September 2021	284	1,106	1,770	1,491	333	4,984
Depreciation and impairment						
At 1 October 2020	54	361	281	461	66	1,223
Exchange differences	12	73	57	93	13	248
Depreciation	125	437	230	149	93	1,034
Disposals	-	-	-	(107)	-	(107)
At 30 September 2021	191	871	568	596	172	2,398
Carrying amount 30 September 2021	93	235	1,202	895	161	2,586
	Land and buildings	Retail outlets	Farm equipment	Production equipment	Motor vehicles and trailers	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Gross carrying amount						
At 1 October 2019	-	-	1,809	2,343	118	4,270
Adjustment on transition to IFRS 16	193	760	-	-	-	953
Additions	-	-	-	-	249	249
Exchange differences	(38)	(150)	(623)	(807)	(90)	(1,708)
At 30 September 2020	155	610	1,186	1,536	277	3,764
Depreciation and impairment						
At 1 October 2019	-	-	177	469	28	674
Exchange differences	(14)	(88)	(101)	(199)	(21)	(423)
Depreciation	68	449	205	191	60	973
At 30 September 2020	54	361	281	461	67	1,224
Carrying amount 30 September 2020	101	249	905	1,075	210	2,540

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

14. Property, plant and equipment (continued)

(i) In Zambian Kwacha

(b) Company	Land and buildings ZMW'000s	Plant and machinery ZMW'000s	Motor vehicles ZMW'000s	Furniture and equipment ZMW'000s	Capital work in progress ZMW'000s	Total ZMW'000s
Cost or valuation						
As at October 2019	1,587,200	528,433	26,676	16,131	23,177	2,181,617
Exchange differences	510,532	129,184	1,804	934	-	642,454
Additions	4,926	17,404	3,238	2,304	7,513	35,385
Transfers	17,291	4,482	-	607	(22,380)	-
Disposals	(1,153)	(3,653)	(1,936)	(55)	(34)	(6,831)
Transfer to held for sale	(146,063)	(48,406)	(787)	(387)	-	(195,643)
As at 30 September 2020	1,972,733	627,444	28,995	19,534	8,276	2,656,982
Exchange differences	(249,603)	(53,934)	(980)	(505)	-	(305,022)
Additions	1,249	17,046	3,261	3,518	18,055	43,129
Transfers	12,607	5,854	-	-	(18,461)	-
Revaluation	5,300	(223,612)	(5,844)	(2,860)	-	(227,016)
Disposals	-	(1,385)	(142)	(65)	-	(1,592)
As at 30 September 2021	1,742,286	371,413	25,290	19,624	7,870	2,166,483
Cost	629,476	222,848	15,175	11,773	7,870	887,142
Revaluation	1,112,810	148,565	10,116	7,850	-	1,279,341
	1,742,286	371,413	25,290	19,624	7,870	2,166,483

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

14. Property, plant and equipment (continued)

Depreciation						
(i) In Zambian Kwacha						
(b) Company	Land and buildings ZMW'000s	Plant and machinery ZMW'000s	Motor vehicles ZMW'000s	Furniture and equipment ZMW'000s	Capital work in progress ZMW'000s	Total ZMW'000s
As at 1 October 2021	16,871	93,131	9,050	2,455	-	121,507
Charge for the year	9,364	63,374	5,921	1,803	-	80,462
Disposals	-	(529)	(857)	(6)	-	(1,392)
Assets held for sale	(5,044)	(14,507)	(329)	(109)	-	(19,989)
As at 30 September 2020	21,191	141,469	13,785	4,143	-	180,588
Charge for the year	8,612	70,039	6610	2,205	-	87,466
Disposals	-	(751)	(110)	(52)	-	(913)
Assets held for sale	(5,044)	(14,507)	(329)	(109)	-	(19,989)
Revaluation	(29,803)	(210,757)	(20,285)	(6,296)	-	(267,141)
As at 30 September 2021	-	-	-	-	-	-
Net book value						
At 30 September 2021	1,742,286	371,413	25,290	19,624	7,870	2,166,483
At 30 September 2020	1,951,542	485,975	15,210	15,391	8,276	2,476,394
(ii) In US Dollars						
(b) Company	Land and buildings USD'000s	Plant and machinery USD'000s	Motor vehicles USD'000s	Furniture and equipment USD'000s	Capital work in progress USD'000s	Total USD'000s
Cost or valuation						
As at October 2019	120,243	40,033	2,021	1,221	1,756	165,274
Exchange differences	31,573	7,989	112	58	-	39,732
Additions	305	1,076	200	142	465	2,188
Transfers	1,069	277	-	38	(1,384)	-
Disposals	(71)	(226)	(120)	(3)	(2)	(422)
Assets held for sale	(7,252)	(2,403)	(39)	(19)	-	(9,713)
Foreign translation	(47,916)	(15,592)	(734)	(467)	(424)	(65,133)
As at 30 September 2020	97,951	31,154	1,440	970	411	131,926
Exchange differences	5,221	602	202	174	78	6,277
Additions	59	807	154	167	855	2,042
Transfers	597	277	-	-	(874)	-
Disposals	-	(66)	(7)	(3)	-	(76)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

14. Property, plant and equipment (continued)

(ii) In US Dollars

(b) Company	Land and buildings USD'000s	Plant and machinery USD'000s	Motor vehicles USD'000s	Furniture and equipment USD'000s	Capital work in progress USD'000s	Total USD'000s
Cost or valuation						
Revaluation	251	(10,588)	(277)	(135)	-	(10,749)
Foreign translation						
As at 30 September 2021	104,079	22,186	1,512	1,173	470	129,420
Cost	37,603	13,312	907	703	470	52,995
Revaluation	66,476	8,874	605	470	-	76,425
	104,079	22,186	1,512	1,173	470	129,420
Depreciation						
As at October 2019	1,278	7,056	685	186	-	9,205
Charge for the year	579	3,919	366	112	-	4,976
Disposals	-	(33)	(53)	(0)	-	(86)
Transfer to held for sale	(250)	(720)	(16)	(5)	-	(991)
Foreign translation	(555)	(3,198)	(297)	(87)	-	(4,137)
As at 30 September 2020	1,052	7,024	685	206	-	8,967
Charge for the year	407	3,316	312	104	-	4,139
Disposals	-	(35)	(5)	(1)	-	(41)
Foreign translation	(48)	(326)	(32)	(11)	-	(417)
Revaluation	(1,411)	(9,979)	(960)	(298)	-	(12,648)
As at 30 September 2021	-	-	-	-	-	-
Net book value						
At 30 September 2021	104,080	22,187	1,511	1,172	470	129,420
At 30 September 2020	96,899	24,130	755	764	411	122,959

- a) The Company's property, plant and equipment situated in Zambia were revalued as at 30 September 2021 by Messrs Fairworld Properties Limited, Registered Valuation Surveyors, on the basis of market value. The surplus on valuation totalling ZMW40.1 million (USD1.9 million) was transferred to a revaluation reserve.
- (b) In the opinion of the Directors, the carrying values of property, plant and equipment stated above are not higher than their fair values.
- (c) If the cost model had been used, the carrying amounts of the property plant and equipment would be ZMW430,843 thousand (2020: ZMW452,737 thousand). The revalued amounts include a revaluation surplus of ZMW888,898 thousand before tax (2020: ZMW828,538 thousand), which is not available for distribution to the shareholders of Zambef Products PLC.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

15. Investments in subsidiaries, associates and minority interests

The principal subsidiaries and associates of the Company, their country of incorporation, ownership of their issued, ordinary share capital and the nature of their trade are listed below:

(a) Directly/partially owned:	Country of incorporation	Proportion of all classes of issued share capital owned by the Company 2020	Proportion of all classes of issued share capital owned by the Company 2019	Principal activity
Zambeef Retailing Limited	Zambia	100	100	Retailing of Zambeef products
Zamleather Limited	Zambia	100	100	Processing and sale of leather and production and sale of shoes
Master Meat and Agro Production Co. of Nigeria Limited	Nigeria	80	80	Processing and sale of meat products
Master Meat (Ghana) Limited	Ghana	90	90	Processing and sale of meat products
Masterpork Limited	Zambia	100	100	Processing and sale of pork and processed products
Zampalm Limited	Zambia	10	10	Palm tree plantation
Zam Chick Limited	Zambia	100	100	Processing and sale of poultry products
Zamhatch Limited	Zambia	100	100	Chicken breeding, rearing and production of stock feed

The proportion of voting rights held is the same as the proportion of shares held.

(b) Movement at cost:	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
At beginning of the year	245,807	12,205	245,807	18,622
Foreign translation	-	2,479	-	(6,417)
At end of the year	245,807	14,684	245,807	12,205

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

15. Investments in subsidiaries and associates (continued)

(c) The Company's interests in its subsidiaries, which are unlisted, are as follows:

Name of company	Country of Incorporation	Assets ZMW'000s	Liabilities ZMW'000s	Revenues ZMW'000s	Profit/(loss) ZMW'000s
Zambeef Retailing Limited	Zambia	497,202	786,296	2,565,162	(112,548)
Zamleather Limited	Zambia	87,596	57,133	49,661	806
West Africa Operations	Nigeria & Ghana	74,272	86,463	326,560	4,602
Masterpork Limited	Zambia	178,345	86,755	375,698	(5,865)
Zam Chick Limited	Zambia	302,169	21,725	436,035	38,719
Zamhatch Limited	Zambia	604,644	165,457	726,541	111,761
Total at the end of 30 September 2021		1,744,228	1,203,829	4,479,657	37,475
Zambeef Retailing Limited	Zambia	1,158,827	1,399,097	2,149,113	(171,151)
Zamleather Limited	Zambia	101,258	76,548	29,950	(2,665)
West Africa Operations	Nigeria & Ghana	73,344	73,545	218,759	7,595
Masterpork Limited	Zambia	253,585	167,145	290,584	(4,069)
Zam Chick Limited	Zambia	1,079,335	851,278	300,668	1,189
Zamhatch Limited	Zambia	811,454	539,538	591,707	40,384
Total at the end of 30 September 2020		3,477,803	3,107,151	3,580,781	(128,717)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

15. Investments in subsidiaries and associates (continued)

Name of company	Country of Incorporation	Assets	Liabilities	Revenues	Profit/(loss)
		USD'000s	USD'000s	USD'000s	USD'000s
Zambeef Retailing Limited	Zambia	29,701	47,064	121,457	(5,329)
Zamleather Limited	Zambia	5,233	3,413	2,351	38
West Africa Operations	Nigeria & Ghana	4,437	5,172	15,462	218
Masterpork Limited	Zambia	10,654	5,182	17,789	(278)
Zam Chick Limited	Zambia	18,051	1,298	20,646	1,833
Zamhatch Limited	Zambia	36,120	9,884	34,401	5,292
Total at the end of 30 September 2021		104,196	72,013	212,106	1,774
Zambeef Retailing Limited	Zambia	57,539	69,469	132,907	(10,584)
Zamleather Limited	Zambia	5,028	3,801	1,852	(165)
West Africa Operations	Nigeria & Ghana	3,642	3,652	13,529	470
Masterpork Limited	Zambia	12,607	8,299	17,977	(252)
Zam Chick Limited	Zambia	53,592	42,268	18,594	74
Zamhatch Limited	Zambia	40,291	26,789	36,593	2,497
Total at the end of 30 September 2020		172,699	154,278	221,452	(7,960)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

15. Investments in subsidiaries and associates (continued)

Below are the carrying amounts for the investments in the subsidiaries.

Name of company	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Zambeef Retailing Limited	31	2	31	2
Zamleather Limited	1,477	88	1,477	73
Master Meat and Agro Production Co of Nigeria Limited	216	13	216	10
Master Meat (Ghana) Limited	1,310	78	1,310	64
Masterpork Limited	26,601	1,589	26,601	1,321
Zam Chick Limited	158,230	9,453	158,230	7,858
Zamhatch Limited	57,942	3,461	57,942	2,877
	245,807	14,684	245,807	12,205

- (d) In the opinion of the Directors, the value of the company's interests in the subsidiary companies is not less than the amounts at which they are stated in these financial statements.
- (e) As at the reporting date, the Group has a 10% equity interest in Zampalm Limited. The company has reasonable influence over Zampalm Limited in that, it has representation on the Board of Directors, participates in policy making decisions and provides essential farming technical information. The company had a management contract which expired in September 2020 and was responsible for day to day management of Zampalm Limited. The investment is accounted for using the equity method.

Zampalm Limited's principal activity is the establishment of a palm oil plantation and processing plant and the production of crude palm oil. The company is still in the developmental stage and is expected to start generating profits in 2024.

The summarised financial information for Zampalm Limited is as below;

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Revenue	4,313	204	3,868	239
Gross Loss	(3,788)	(179)	(1,625)	(100)
Loss before tax	(33,582)	(1,590)	(31,770)	(1,965)
Non-current assets	270,693	16,170	273,811	13,595
Current assets	31,757	1,897	6,625	329
Total assets	302,450	18,067	280,436	13,924
Capital and reserves	111,278	6,647	106,846	5,305
Current liabilities	191,172	11,420	173,590	8,619
Total equity and liabilities	302,450	18,067	280,436	13,924

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

15. Investments in subsidiaries and associates (continued)

Summarised financial information of the Group's share in the associate is as follows:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Opening balance	43,826	2,176	12,376	938
Arising during the year (i)	-		34,627	2,141
Loss from continuing operation	(3,358)	(159)	(3,177)	(196)
Foreign exchange difference	-	400	-	(707)
Total comprehensive income	(3,358)	241	31,450	1,238
Carrying amount of the Group's interest	40,468	2,417	43,826	2,176

- (i) There was no cash movement during the year. The movement shown above relates to the loss that was incurred from business activities during the year.

The movement for the prior year includes a balance that was owed by the associate that was converted to equity.

16. (a) Biological assets – Group

Biological assets comprise standing crops, feedlot cattle, dairy cattle, pigs and chickens. At 30 September 2021 there were 811 hectares of standing crops, 16,090 cattle (12,836 feedlot cattle and 3,254 dairy cattle) and 759,611 chickens (92,052 breeding, 387,141 layers and 280,418 broilers), and 3,744 pigs. A total of 32,591 feedlot cattle, 976 dairy cattle, 6,459 pigs and 8,225,446 chickens were culled during the year.

(i) Zambia Kwacha	As at 1 October ZMW'000s	Increase due to purchases ZMW'000s	Gains/ (losses) arising from fair value attributable to physical changes ZMW'000s	Gains/ (losses) arising from fair value attributable to price changes ZMW'000s	Decrease due to harvest/ transferred to inventory ZMW'000s	As at 30 September ZMW'000s
Standing Crops	16,626	518,097	434,115	-	(914,253)	54,585
Feedlot Cattle	40,652	324,237	71,910	-	(280,485)	156,314
Dairy Cattle	62,380	102,248	39,818	3,323	(136,404)	71,365
Pigs	4,120	13,241	7,323	3,328	(20,394)	7,618
Chickens	52,527	474,082	268,544	-	(726,038)	69,115
Total	176,305	1,431,905	821,710	6,651	(2,077,574)	358,997

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

16. (a) Biological assets – Group (continued)

(ii) In US Dollars	As at 1 October USD'000s	Foreign exchange USD'000s	Increase due to purchases USD'000s	Gains/ (losses) arising from fair value attributable to physical changes USD'000s	Gains arising from fair value attributable to price changes USD'000s	Decrease due to harvest/ transferred to inventory USD'000s	As at 30 September USD'000s
Standing Crops	826	637	24,531	20,555	-	(43,288)	3,261
Feedlot Cattle	2,018	1,843	15,352	3,405	-	(13,281)	9,337
Dairy Cattle	3,098	740	4,841	1,885	157	(6,459)	4,262
Pigs	203	87	627	347	158	(966)	456
Chickens	2,609	734	22,447	12,716	-	(34,377)	4,129
Total	8,754	4,041	67,798	38,908	315	(98,371)	21,445

16. (b) Biological assets – Company

Biological assets comprise standing crops, feedlot cattle, dairy cattle, and chickens. At 30 September 2021 there were 811 hectares of standing crops, 16,090 cattle (12,836 feedlot cattle and 3,254 dairy cattle), and 282,695 chickens. A total of 32,591 feedlot cattle, 976 dairy cattle and 194,113 chickens were culled during the year.

(i) Zambian Kwacha	As at 1 October ZMW'000s	Increase due to purchases ZMW'000s	Gains/ (losses) arising from fair value attributable to physical changes ZMW'000s	Gains/ (losses) arising from fair value attributable to price changes ZMW'000s	Decrease due to harvest/ transferred to inventory ZMW'000s	As at 30 September ZMW'000s
Standing Crops	16,626	518,097	434,115	-	(914,253)	54,585
Feedlot Cattle	40,652	324,237	71,910	-	(280,485)	156,314
Dairy Cattle	62,380	102,248	39,818	3,323	(136,404)	71,365
Chickens	19,843	74,919	(3,823)	-	(65,255)	25,684
Total	139,501	1,019,501	542,020	3,323	(1,396,397)	307,948

(ii) In US Dollars	As at 1 October USD'000s	Foreign exchange USD'000s	Increase due to purchases USD'000s	Gains/ (losses) arising from fair value attributable to physical changes USD'000s	Gains/ (losses) arising from fair value attributable to price changes USD'000s	Decrease due to harvest/ transferred to inventory USD'000s	As at 30 September USD'000s
Standing Crops	825	638	24,531	20,555	-	(43,288)	3,261
Feedlot Cattle	2,018	1,843	15,352	3,406	-	(13,281)	9,338
Dairy Cattle	3,098	740	4,841	1,887	157	(6,459)	4,264
Chickens	986	272	3,547	(181)	-	(3,090)	1,534
Total	6,927	3,492	48,271	25,667	157	(66,118)	18,396

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

17. Inventories

	2021		2020	
	Group	Company	Group	Company
(i) In Zambian Kwacha	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Trading stocks	455,847	306,922	595,376	516,046
Abattoir stocks	23,628	23,628	1,817	1,817
Raw materials	117,962	90,734	325,242	187,028
Stock feed	388,548	256,057	23,930	8,364
Consumables	203,175	95,631	151,290	100,826
Raw hides and chemicals	8,686	-	5,985	-
	1,197,846	772,972	1,103,640	814,081

	2021		2020	
	Group	Company	Group	Company
(ii) In US Dollars	USD'000s	USD'000s	USD'000s	USD'000s
Trading stocks	27,231	18,335	29,562	25,623
Abattoir stocks	1,411	1,411	90	90
Raw materials	7,047	5,420	16,149	9,287
Stock feed	23,211	15,296	1,188	415
Consumables	12,137	5,713	7,512	5,006
Raw hides and chemicals	519	-	297	-
	71,556	46,175	54,798	40,421

A total of ZMW3,510.3 million (USD166.2 million) (2020: ZMW2,645.6 million (USD163.5 million)) was included in profit and loss as an expense within cost of sales. Inventory was turned every 124 days (2020: 152 days).

Biological assets totalling ZMW2,077.6 million (USD98.4 million) (2020: ZMW1,557.6 million [USD96.3 million]) were transferred to inventories during the year.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

18. Trade and other receivables

The carrying amounts of the trade receivables were as below.

	2021		2020	
	Group	Company	Group	Company
(i) In Zambian Kwacha	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Gross trade receivables	166,465	95,377	85,386	37,518
Less: allowance for expected credit losses	(11,743)	(6,063)	(5,075)	(1,516)
Trade receivables	154,722	89,314	80,311	36,002
Prepayments	36,515	2,388	25,295	18,335
Other receivables	42,839	-	32,710	-
Less: other provisions	-	-	(5,648)	(3,782)
	234,076	91,702	132,668	50,555

	2021		2020	
	Group	Company	Group	Company
(ii) In US Dollars	USD'000s	USD'000s	USD'000s	USD'000s
Gross trade receivables	9,944	5,698	4,240	1,863
Less: allowance for expected credit losses	(701)	(362)	(252)	(75)
Trade receivables	9,243	5,336	3,988	1,788
Prepayments	2,181	142	1,256	910
Other receivables	2,559	-	1,623	-
Less: other provisions	-	-	(280)	(188)
	13,983	5,478	6,587	2,510

(a) Allowance for credit losses

The trade receivables do not have a significant financing component and the simplified approach has been applied to calculate the loss allowance on lifetime expected credit losses. The allowance for credit losses is calculated for each business unit based on the historical loss experience and its particular customer profile with shared and specific characteristics which are influenced by the nature of their business.

The fair value of these short-term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

All of the Group's trade and other receivables in the comparative periods have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Note 30(b) includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. Both the current and comparative impairment provisions apply the IFRS 9 expected loss model.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

18. Trade and other receivables (continued)

Movements on the Group's provision for allowance for expected credit losses and other provisions are set out in the table below:

	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
(i) In Zambian Kwacha				
At 1 October	10,723	5,298	4,910	1,913
Utilised	(2,286)	(423)	(1,167)	(552)
Charge for the year	3,306	1,188	6,980	3,937
At 30 September	11,743	6,603	10,723	5,298

Analysed as follows:

Expected credit losses	10,324	5,956	5,075	1,516
Other provisions	1,419	647	5,648	3,782
Total	11,743	6,603	10,723	5,298

	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
(ii) In US Dollars				
At 1 October	532	263	372	145
Foreign exchange	121	63	(200)	(91)
Utilised	(109)	(20)	(72)	(34)
Charge for the year	157	56	432	243
At 30 September	701	362	532	263

Analysed as follows:

Expected credit losses	617	338	252	75
Other provisions	84	24	280	188
Total	701	362	532	263

Trade receivables have a 15 or 30 day credit period.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

18. Trade and other receivables (continued)

The matrix for the calculation of the expected credit losses is as detailed below.

30 September 2021	Trade receivables days past due				Total
	Current	More than	More than	More than	
		30 days	60 days	90 days	
Expected credit loss rate	4.1%	3.6%	7.1%	90%	
Gross carrying amount - ZMW'000	97,994	20,830	1,784	6,026	126,634
Lifetime expected credit loss - ZMW'000	4,033	741	127	5,423	10,324

30 September 2020	Trade receivables days past due				Total
	Current	More than	More than	More than	
		30 days	60 days	90 days	
Expected credit loss rate	4.1%	3.6%	7.2%	90.0%	
Gross carrying amount - ZMW'000	70,306	11,723	1,518	1,839	85,386
Lifetime expected credit loss - ZMW'000	2,894	417	109	1,655	5,075

30 September 2021	Trade receivables days past due				Total
	Current	More than	More than	More than	
		30 days	60 days	90 days	
Expected credit loss rate	4.1%	3.6%	7.2%	90.0%	
Gross carrying amount - USD'000	5,854	1,244	107	360	7,565
Lifetime expected credit loss - USD'000	241	44	8	324	617

30 September 2020	Trade receivables days past due				Total
	Current	More than	More than	More than	
		30 days	60 days	90 days	
Expected credit loss rate	4.1%	3.6%	7.2%	90.0%	
Gross carrying amount - USD'000	3,492	582	75	91	4,240
Lifetime expected credit loss - USD'000	144	21	5	82	252

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

19. Amounts due from related companies

(i) In Zambian Kwacha	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Chisamba Ranching and Cropping	-	-	4,185	-
Danny Museteka	93	93	-	-
Tembilo Farms Limited	152	-	459	-
Lillian Limbuka	683	-	1,049	-
Zamleather Limited	-	50,284	-	47,704
Zampalm Limited	3,274	2,570	3,644	3,229
Master Meat & Agro Production Co. of Nigeria Limited	-	67,113	-	59,974
Zam Chick Limited	-	-	-	704,526
Master Meat (Ghana) Limited	-	3,362	-	3,318
Zamhatch Limited	-	110,857	-	501,366
Masterpork Limited	-	56,331	-	-
Zambeef Retailing	-	489,944	-	-
	4,202	780,554	9,337	1,320,117

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

19. Amounts due from related companies (continued)

(ii) In US Dollars	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Chisamba Ranching and Cropping	-	-	208	-
Danny Museteka	6	6	-	-
Tembilo Farms Limited	9	-	23	-
Lilian Limbuka	41	-	52	-
Zamleather Limited		3,004	-	2,369
Zampalm Limited	196	154	181	160
Zam Chick Limited	-	-	-	34,981
Mastermeat & Agro Production Co. of Nigeria Limited	-	4,009	-	2,978
Master Meat (Ghana) Limited	-	201	-	165
Zamhatch Limited	-	6,622	-	24,894
Masterpork Limited		3,365		
Zambeef Retailing Limited		29,267		
	251	46,628	464	65,547

The above balances relate to arm's length transactions between the transacting parties. External parties that fall under the 'Related Party' disclosure are with respect to Directors who have shareholding in companies transacting with the Group. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The amounts due from related parties have been assessed for impairment using the expected credit loss model. The expected credit loss determined is immaterial and therefore no separate disclosure has been made.

There is no interest that is charged on amounts due from related parties and there are no repayment terms attached.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

20. Cash and cash equivalents

	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
(i) In Zambian Kwacha				
Cash in hand and at bank	201,539	113,193	111,136	12,645
Bank overdrafts (note (b))	(490,204)	(306,417)	(348,045)	(170,822)
	(288,665)	(193,224)	(236,909)	(158,177)

	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
(ii) In US Dollars				
Cash in hand and at bank	12,039	6,762	5,518	628
Bank overdrafts (note (b))	(29,283)	(18,304)	(17,281)	(8,482)
	(17,244)	(11,542)	(11,763)	(7,854)

(a) Banking facilities

The Group has overdraft facilities totalling ZMW193.3 million (2020: ZMW193.3 million) with Zanaco Bank Plc. The Zanaco Bank overdraft bears an interest rate of Bank of Zambia Policy rate plus 6.5 per cent. on the Kwacha facility.

The Group has overdraft facilities totalling ZMW74.6 million (2020: ZMW74.6 million) and USD5 million (2020: USD5 million) with Citibank Zambia Limited. The Citibank overdrafts bear interest rates of Bank of Zambia Policy rate (BPR) plus 0.25% plus Liquidity Premium (182 day Treasury bill rate minus BPR) on the Kwacha facility and 3 month USD LIBOR rate plus 3.5 per cent. on the USD facility.

The Group has overdraft facilities totalling ZMW91.3 million (2020: ZMW57.5 million) and USD0.5 million (2020: USD2 million) with Stanbic Bank Zambia Limited. The Stanbic Bank overdrafts bear interest rate of Bank of Zambia Policy rate plus 6 per cent. on the Kwacha facility and 3 month USD LIBOR rate plus 4 per cent. on the USD facility.

The Group has overdraft facilities totalling ZMW74 million (2020: ZMW74 million) and USD nil (2020: USD3 million) with Standard Chartered Bank Zambia Plc. The Standard Chartered Bank overdrafts bear interest rates of Bank of Zambia Policy rate plus 6 per cent. on the Kwacha facilities.

The Group obtained overdraft facilities totalling ZMW170 million (2020: ZMW nil) during the year with First National Bank (FNB). The FNB Bank overdrafts bear interest rates of Bank of Zambia Policy rate plus 7.5 per cent.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

20. Cash and cash equivalents (continued)

(b) Bank overdrafts

	2021		2020	
	Group	Company	Group	Company
(i) In Zambian Kwacha	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Zanaco Bank Plc	(183,787)	-	(145,387)	(2)
First National Bank (FNB)	(161,051)	(161,051)	-	-
Citibank Zambia Limited	(71,664)	(71,664)	(101,446)	(69,615)
Stanbic Bank Zambia Limited	(73,702)	(73,702)	(49,805)	(49,805)
Standard Chartered Bank Zambia Plc	-	-	(51,407)	(51,400)
	(490,204)	(306,417)	(348,045)	(170,822)

	2021		2020	
	Group	Company	Group	Company
(ii) In US Dollars	USD'000s	USD'000s	USD'000s	USD'000s
Zanaco Bank Plc	(10,979)	-	(7,219)	(1)
First National Bank (FNB)	(9,621)	(9,621)		
Citibank Zambia Limited	(4,281)	(4,281)	(5,037)	(3,456)
Stanbic Bank Zambia Limited	(4,402)	(4,402)	(2,473)	(2,473)
Standard Chartered Bank Zambia Plc	-	-	(2,552)	(2,552)
	(29,283)	(18,304)	(17,281)	(8,482)

- (i) The Zambef Products Plc Group bank overdrafts and Short-Term Seasonal Loan facilities are secured by a floating charge/debenture over all the assets of the Group with a security cover of 125 per cent. of limits. The floating charge/debenture ranks pari passu between Standard Chartered Bank Zambia Plc, Citibank Zambia Limited, Zanaco Bank Plc, Stanbic Bank Zambia Limited and First National Bank (FNB).

All overdrafts are annual revolving facilities.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

21. Share capital

(a) Ordinary share capital

	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
700,000,000 ordinary shares of ZMW0.01 each	7,000	938	7,000	938
(2020: 700,000,000 ordinary shares of ZMW0.01 each)				
Issued and fully paid				
At 1 October	3,006	449	3,006	449
Issued during the year	-	-	-	-
At 30 September	-	-	-	-
300,579,630 ordinary shares of ZMW0.01 each	3,006	449	3,006	449
(2020: 300,579,630 ordinary shares of ZMW0.01 each)				

(b) Preference share capital

Issued and fully paid				
At 1 October	1,000	100	1,000	100
Issued during the year	-	-	-	-
At 30 September	-	-	-	-
100,057,658 preference shares of ZMW0.01 each	1,000	100	1,000	100
(2020: 100,057,658 preference shares of ZMW0.01 each)				

The preference shares are convertible in whole or in part by CDC into ordinary shares on a one-for-one basis for the first eight years from 2016 and thereafter on a basis of 3.0833 ordinary shares for each preference share. These shares have four voting rights for every five preference shares held.

Zambeef has the right to redeem all or part of the preference shares at the redemption price, which will give CDC a 12% compounded return on investment.

The zero-coupon preference shares pay a dividend only if a dividend is paid to ordinary shareholders, and in such cases, the dividend per share will be the same as that for ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

22. Share premium

	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
At 1 October	1,125,012	185,095	1,125,012	185,095
Arising during the year	-	-	-	-
At 30 September	1,125,012	185,095	1,125,012	185,095

Proceeds received in addition to the nominal value of the shares issued have been included in share premium.

23. Interest bearing liabilities

	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH (note (a))	-	-	222,547	222,547
Zanaco Bank Plc (note (b))	-	-	6,646	6,646
Standard Chartered Bank Zambia Plc (note (c))	47,649	47,649	149,877	149,877
IFC – International Finance Corporation (note (d))	39,615	39,615	109,047	109,047
Stanbic Bank Zambia Limited (note e)	99,000	99,000	29,000	29,000
Absa Bank Zambia Plc	220,000	220,000		
	406,264	406,264	517,117	517,117
Less: Short term portion (repayable within next 12 months)	(210,709)	(210,709)	(326,899)	(326,899)
Long term portion (repayable after 12 months)	195,555	195,555	190,218	190,218

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

23. Interest bearing liabilities

(ii) In US Dollars	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH (note (a))	-	-	11,050	11,050
Zanaco Bank Plc (note (b))	-	-	330	330
Standard Chartered Bank Zambia Plc (note (c))	2,846	2,846	7,442	7,442
IFC – International Finance Corporation (note (d))	2,366	2,366	5,414	5,414
Stanbic Bank Zambia Limited (note (e))	5,914	5,914	1,440	1,440
Absa Bank Zambia Plc	13,143	13,143		
	24,269	24,269	25,676	25,676
Less: Short term portion (repayable within next 12 months)	(12,587)	(12,587)	(16,231)	(16,231)
Long term portion (repayable after 12 months)	11,682	11,682	9,445	9,445

(a) (i) DEG Term Loan 3

The Group had a loan facility of USD nil (2020: USD3.55 million and original amount of USD10 million) from DEG. Interest on the loan is 4.25 per cent. above the 6 month USD LIBOR rate per annum payable 6 monthly in arrears. The capital was repayable in 14 biannual instalments of USD 710,000 commencing May 2016 and expiring in November 2022. The loan was fully repaid in September 2021.

The DEG term loan 3 was secured by a first ranking legal mortgage over R/E of Farm No. 4450, R/E of F/4451 and R/E of F/5388 (Mpongwe Farm), ranking pari passu with the IFC.

(ii) DEG Term Loan 4

The Group had a loan facility of USD nil (2020: USD7.5 million and the original amount of USD15 million) from DEG. Interest on the loan is 5.75 per cent. above the 6 month USD LIBOR rate per annum payable quarterly in arrears. The capital was repayable in 12 quarterly instalments of USD1,250,000 commencing March 2018 and expiring in September 2023. The loan was fully repaid in September 2021.

The DEG term loan 4 was secured by a first ranking legal mortgage over R/E of Farm No. 4450, R/E of F/4451 and R/E of F/5388 (Mpongwe Farm), ranking pari passu with the IFC.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

23. Interest bearing liabilities (continued)

(b) Zanaco Bank Plc

The Group has a loan facility of ZMW nil million (2020: ZMW6.65 million and original amount of ZMW46.5 million) with Zanaco Bank Plc. Interest on the loan 4.5 per cent. above the Bank of Zambia policy rate per annum payable monthly in arrears. The principal was repayable in 7 annual instalments of ZMW6,642,857 commencing December 2014 and expiring in December 2020.

The loan was secured by a first ranking legal mortgage over Stand No. 4970, Industrial Area, Lusaka (Head Office).

(c) Standard Chartered Bank Zambia PLC

The Group has a structured agricultural facility with an annual revolving limit totalling USD6 million (2020 – USD18 million) with Standard Chartered Bank Zambia PLC. The purpose of the facility is the financing of wheat, soya beans and maize under collateral management agreements and is for 270 days. The balance on the facilities at year end was USD2.8 million (2020: USD7.4 million). Interest on the facility is 3 month USD LIBOR plus 3.25 per cent. per annum calculated on the daily overdrawn balances.

The facility is secured by a fixed and floating charge over grain stocks of wheat, soya beans and maize.

(d) International Finance Corporation Loan 2

The Group has a loan facility of USD2.06 million and ZMW5.1 million (2020: USD4.8 million and ZMW11.98 million and original amount of USD20 million and ZMW49.6 million). Interest on the loan is 4.75 per cent. above the 6 month USD LIBOR rate per annum for the USD facility and 4.45 per cent. above the 91 day Treasury Bill rate plus a variable swap margin for the Kwacha facility payable quarterly in arrears. The principal is repayable in 29 equal quarterly instalments of USD689,655 and ZMW1,710,345 commencing June 2015 and expiring in June 2022.

The loan is secured through a first ranking legal mortgage over R/E of Farm No. 4450, R/E of Farm No. 4451 & R/E of Farm No. 5388 (Mpongwe farm), ranking pari passu with the DEG.

(e) Stanbic Bank Zambia Limited

In the year ended 30 September 2021, the Group obtained an additional seasonal loan facility with an annual revolving limit totalling ZMW70 million from Stanbic Bank Zambia Limited bringing the total facility to K100 million. The balance on the facility at year end was ZMW99 million (2020: ZMW29 million). Interest on the facility is 8.5 per cent. above the Bank of Zambia policy rate per annum payable monthly in arrears.

This facility is secured by a floating charge/debenture over all the assets of the Company. The floating charge/debenture ranks pari passu between Standard Chartered Bank Zambia Plc, Citibank Zambia Limited and Zanaco Bank Plc and First National Bank (FNB).

(f) Absa Bank Zambia Plc

During the year ended 30 September 2021, the Company obtained a 5 year loan from Absa Bank Ltd amounting to ZMW220Million at an interest rate of Bank of Zambia policy rate plus 6.5%.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

24. Leases

Lease liabilities are presented in the statement of financial position as follows:

	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Current	12,418	1,873	23,259	14,461
Non-current	7,253	6,597	19,750	8,172
	19,671	8,470	43,009	22,633

	2021		2020	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Current	742	112	1,155	718
Non-current	433	394	981	406
	1,175	506	2,136	1,124

The Group has leases for its motor vehicles and trailers, farming equipment, land and buildings, retail outlets and production equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over commercial premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Motor vehicles	4	0-1 year	0.3 years	-	-	-	-
Trailers	10	2-3 years	2 years	-	-	-	-
Farming equipment	44	2-3 years	2 years	-	-	-	-
Land & buildings	3	3-4 years	3 years	-	-	-	-
Retail Outlets	68	1-3 years	1.5 years	5	-	-	-
Production equipment	6	3-4year	3 years	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

24. Leases (continued)

The Group has leases for K19,671 thousand. The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 September 2021 were as follows:

	Minimum lease payments due						Total
	Within 1	1-2 years	2-3 years	3-4 years	4-5 years	After 5	
	year					years	
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
30 September 2021							
Lease payments	13,085	5,434	625	469	469	3,345	23,427
Finance charges	(645)	(417)	(318)	(288)	(257)	(1,831)	(3,756)
Net present values	12,440	5,017	307	181	212	1,514	19,671

30 September 2020							
Lease payments	23,821	10,103	7,758	3,013			44,695
Finance charges	(562)	(508)	(380)	(236)			(1,686)
Net present values	23,259	9,595	7,378	2,777			43,009

Leasing	30 September 2021	30 September 2020
	USD'000	USD'000
Current	742	981
Non-Current	433	1,155
Total	1,175	2,136

	Minimum lease payments						
	Within 1	1-2 years	2-3 years	3-4 years	4-5 years	After 5	Total
	year					years	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
30 September 2021							
Lease payments	782	325	37	28	28	200	1,400
Finance charges	(39)	(25)	(19)	(17)	(15)	(110)	(225)
Net Present Values	743	300	18	11	13	90	1,175
30 September 2020							
Lease payments	1,183	502	385	150	-	-	2,220
Finance charges	(28)	(25)	(19)	(12)	-	-	(84)
Net Present Values	1,155	477	366	138	-	-	2,136

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

24. Leases (continued)

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	30 Sept 2021	30 Sept 2021	30 Sept 2020	30 Sept 2020
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Short-term leases	8,237	492	1,359	84
Leases of low value assets	-	-	-	-
Variable lease payments	-	-	-	-
Total	8,237	492	1,359	84

Included in the finance cost of ZMW92,322 thousand (US\$5,709 thousand) is interest expense for leasing arrangements amounting to ZMW86,000 (US\$6,000).

At 30 September 2021 the Group was committed to short-term leases and the total commitment at that date was ZMW719,364 (USD 35,718).

25. Deferred liability

Under the terms of employment, employees are entitled to certain terminal benefits. Provisions have been made during the year towards these benefits. This statutory entitlement, which is lost if the employee is summarily dismissed, becomes payable only when the employee retires after attaining the age of 55 years and that employee has been employed for more than ten years. Uncertainty exists over the amount of future outflows due to staff turnover levels, but are not considered material to the Group.

	2021		2020	
(i) In Zambian Kwacha	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
At 1 October	11,389	3,356	16,362	3,655
(Movements)/provision during the year	4,102	2,241	(3,185)	312
Payments made during the year	(6,971)	(3,473)	(1,788)	(611)
At 30 September	8,891	2,124	11,389	3,356

The Company engaged a professional actuary, Quantum Consultants & Actuaries, to perform an actuarial valuation of the liability arising from the employee defined benefit plan as at 30 September 2021. As of the report date, the actuary had finalised the report and the provision was adjusted to agree to the report.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

25. Deferred liability (continued)

(ii) In US Dollar	2021		2020	
	Group USD'000s	Company USD'000s	Group USD'000s	Company USD'000s
At 1 October	565	167	1,240	277
(Movements)/provision during the year	212	106	(197)	19
Payments made during the year	(330)	(164)	(111)	(38)
Foreign translation	84	18	(367)	(91)
At 30 September	531	127	565	167

The assumptions are developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Defined benefit obligation 1 October	11,389	565	16,362	1,240
Current service cost before deduction of beneficiary contributions	427	20	589	36
Interest expense	1,234	58	2,739	169
Remeasurement - actuarial losses from changes in demographic assumptions	(1,594)	(75)	-	-
Remeasurement - actuarial losses from changes in financial assumptions	2,710	128	(4,929)	(305)
Experience gains	1,696	80	(1,300)	(80)
Benefits paid	(6,971)	(330)	(2,072)	(128)
Translation difference	-	85	-	(367)
Defined benefit obligation 30 September	8,891	531	11,389	565
Unfunded	8,891	531	11,389	565

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

25. Deferred liability (continued)

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The assumptions used for the valuation of the defined benefit obligation are as follows:

	30 September 2021	30 September 2020
Discount rate at date shown	27%	33%
Salary growth rate	20%	20%
Average life expectancies:	Probability of reaching retirement age in service	Probability of reaching retirement age in service
- 25 years of age at reporting date	47%	47%
- 30 years of age at reporting date	57%	57%
- 35 years of age at reporting date	66%	66%
- 40 years of age at reporting date	72%	72%
- 45 years of age at reporting date	78%	78%
- 50 years of age at reporting date	86%	86%

Amounts recognised in profit or loss related to the Group's defined benefit plan are as follows;

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Current service cost	427	20	589	36
Past service cost	-	-	-	-
Net interest expenses	1,234	58	2,739	169
Total expenses recognised in profit or loss	1,661	78	3,328	205

Amounts recognised in other comprehensive income related to the Group's defined benefit plan are as follows:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Actuarial losses from changes in demographic assumptions	(1,594)	(75)		
Actuarial losses from changes in financial assumptions	2,710	128	(4,929)	(305)
Experience (gains)/losses	1,697	80	(1,300)	(80)
Return on plan assets (excluding amounts included in net interest)	-	-	-	-
Total expenses recognised in other comprehensive income	2,813	133	(6,229)	(385)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

26. Trade and other payables

(a) The table below shows the trade and other payables:

Trade and other payables	2021		2020	
	Group	Company	Group	Company
(i) In Zambian Kwacha	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Trade payables	384,476	275,484	290,172	226,646
Other payables	79,627	17,570	31,476	6,198
	464,103	293,054	321,648	232,844

Trade and other payables	2021		2020	
	Group	Company	Group	Company
(ii) In US Dollars	USD'000s	USD'000s	USD'000s	USD'000s
Trade payables	22,968	16,456	14,409	11,253
Other payables	4,755	1,051	1,562	308
	27,723	17,507	15,971	11,561

The average credit period taken in 2021 was 44 days (2020: 43 days).

All amounts shown under trade and other payables fall due for payment within one year. The carrying value of trade and other payables are considered to be a reasonable approximation of fair value.

(b) Included in the other payables are balances relating to contract liabilities. These are as follows:

Group	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Opening Balance	97,672	4,850	75,849	5,746
Receipt from Customers	969,657	45,912	776,373	48,013
Sales to Customers	(948,123)	(44,892)	(754,550)	(46,663)
Exchange Gain/Loss	-	1,252	-	(2,246)
Closing balance	119,206	7,122	97,672	4,850

Company	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Opening Balance	92,276	4,582	71,807	5,440
Receipt from Customers	611,522	28,954	537,341	33,231
Sales to Customers	(609,313)	(28,850)	(516,872)	(31,965)
Exchange Gain/Loss	-	(515)	-	(2,124)
Closing balance	94,485	4,171	92,276	4,582

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

26. Trade and other payables (continued)

Advances received from customers represent customer payments received in advance of performance (contract liability) that are expected to be recognised as revenue in 2022. The advances for supply of grain is ZMW 99,558 thousand, USD 5,947 thousand (2020: ZMW 84,053 thousand, USD 4,173 thousand), the supply of day-old chicks is ZMW 1,726 thousand, USD 103 thousand (2020: ZMW 1,465 thousand, USD 73 thousand), the amount for the supply of stock feed is ZMW 14,818 thousand, USD 885 thousand (2020: ZMW 10,608 thousand, USD 527 thousand) and others were ZMW 690 thousand, USD 41 thousand (2020: ZMW 1,546 thousand, USD 77 thousand). All brought forward balances were recognized as income in the current year.

27. Provisions

Provisions	Staff	Others	Total	Staff	Others	Total
	ZMW'000	ZMW'000	ZMW'000	USD'000	USD'000	USD'000
Group						
Carrying amount 1 October 2020	66,331	47,016	113,347	3,294	2,335	5,629
Additional provisions	87,608	25,166	112,774	4,148	1,503	5,651
Amount utilised	(48,184)	(8,630)	(56,814)	(2,281)	(409)	(2,690)
Foreign translation				1,157	366	1,523
Carrying amount 30 September 2021	105,755	63,552	169,307	6,318	3,795	10,113
Company						
Carrying amount 1 October 2020	40,019	21,181	61,200	1,987	1,052	3,039
Foreign translation	-	-	-	702	655	1,357
Additional provisions	49,523	39,461	88,984	2,345	1,852	4,197
Amount utilised	(25,466)	(5,069)	(30,535)	(1,206)	(240)	(1,446)
Carrying amount 30 September 2021	64,076	55,573	119,649	3,828	3,319	7,147

Staff provisions relate to gratuity, leave pay and other related claims. These are paid as and when they fall but mainly in December at the end of employee contracts. Other provisions relate to legal and other claims. These are paid within 3 months average of provisioning.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

28. Amounts due to related companies

	2021		2020	
	Group	Company	Group	Company
(i) In Zambian Kwacha	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Zambeef Retailing Limited	-	-	-	634,417
Masterpork Limited	-	-	-	70,250
Tractorzam	-	-	443	443
Zamchick Limited	-	77,273	-	-
	-	77,273	443	705,110
Non-current	-	-	-	-
Current	-	77,273	443	705,110

	2021		2020	
	Group	Company	Group	Company
(ii) In US Dollars	USD'000s	USD'000s	USD'000s	USD'000s
Zambeef Retailing Limited	-	-	-	31,501
Masterpork Limited	-	-	-	3,488
Tractorzam	-	-	22	22
Zamchick Limited	-	4,616	-	-
	-	4,616	22	35,011
Non-current	-	-	-	-
Current	-	4,616	22	35,011

The above balances relate to arm's length transactions with the related parties. External parties that fall under the 'Related Party' disclosure are with respect to all common shareholding companies of the Board of Directors of the Group. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

There is no interest charged on balances due to related parties and there are no repayment terms attached.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

29. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Group	Long-term borrowings	Short-term borrowings	Lease liabilities	Total	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
	ZMW'000	ZMW'000	ZMW'000	ZMW'000	USD'000	USD'000	USD'000	USD'000
1 October 2020	190,218	326,898	43,009	560,125	9,445	16,231	2,136	27,812
Cash-flows:								
- Repayment	(262,705)	(477,906)	(32,513)	(773,124)	(12,439)	(22,628)	(1,539)	(36,606)
- Proceeds	220,000	449,619		669,619	10,417	21,289	-	31,706
Non-cash:								
- Exchange difference	48,042	(87,902)	9,175	(30,685)	4,259	(2,304)	578	2,533
- Reclassification								
30 September 2021	195,555	210,709	19,671	425,935	11,682	12,588	1,175	25,444
1 October 2019								
1 October 2019	228,099	343,042	40,784	611,925	17,280	25,988	3,090	46,358
Adoption of IFRS 16	-	-	7,063	7,063	-	-	351	351
Revised '1 October 2019	228,099	343,042	47,847	618,988	17,280	25,988	3,441	46,709
Cash-flows:								
- Repayment	(162,217)	(623,231)	(35,478)	(820,926)	(10,032)	(38,542)	(2,194)	(50,768)
- Proceeds	-	487,320	-	487,320	-	30,137	-	30,137
- Addition	-	-	14,329	14,329	-	-	886	886
Non-cash:								
- Exchange difference	141,697	102,406	16,311	260,414	3,549	(2,704)	3	848
- Reclassification	(17,361)	17,361	-	-	(1,352)	1,352	-	-
30 September 2020	190,218	326,898	43,009	560,125	9,445	16,231	2,136	27,812

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

29. Reconciliation of liabilities arising from financing activities (continued)

	Long-term borrowings	Short-term borrowings	Lease liabilities	Total	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
Company	ZMW'000	ZMW'000	ZMW'000	ZMW'000	USD'000	USD'000	USD'000	USD'000
1 October 2020	190,218	326,898	35,946	553,062	9,445	16,231	2,072	27,748
Cash-flows:								
– Repayment	(262,705)	(477,906)	(14,163)	(754,774)	(12,439)	(22,628)	(671)	(35,738)
– Proceeds	220,000	449,619	-	669,619	10,417	21,289	-	31,706
Non-cash:								
– Exchange difference	48,042	(87,902)	(13,313)	(53,173)	4,259	(2,304)	(896)	1,059
– Reclassification								
30 September 2021	195,555	210,709	8,470	414,734	11,682	12,588	505	24,775
1 October 2019	228,099	343,042	40,784	611,925	17,280	25,988	3,090	46,358
Cash-flows:								
– Repayment	(162,217)	(623,231)	(30,835)	(816,283)	(10,032)	(38,542)	(1,907)	(50,481)
– Proceeds	-	487,320	-	487,320	-	30,137	-	30,137
– Additions	-	-	14,329	14,329	-	-	886	886
Non-cash:								
– Exchange difference	141,697	102,406	11,668	255,771	3,549	(2,704)	3	848
– Reclassification	(17,361)	17,361	-	-	(1,352)	1,352	-	-
30 September 2020	190,218	326,898	35,946	553,062	9,445	16,231	2,072	27,748

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

30. Financial instruments

Financial assets

The Group's principal financial assets are bank balances and cash and trade receivables. The Group maintains its bank accounts with major banks in Zambia of high credit standing. Trade receivables are stated at amounts reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities

The Group's financial liabilities are bank overdrafts, long term loans and trade payables. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Trade payables and loans are stated at their nominal value.

Monetary assets and liabilities in foreign currencies

The tables below show the extent to which Group companies have monetary assets and liabilities in currencies other than their local currency:

	2021		2020	
	Group	Company	Group	Company
(i) In Zambian Kwacha	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Financial assets				
- Cash at bank	85,776	78,383	14,532	7,139
- Trade receivables	149,103	146,966	21,622	19,485
- Other receivables	29,183	21,008	16,043	7,867
Financial liabilities				
- Bank overdrafts	(87,978)	(78,736)	(146,240)	(136,999)
- Trade and other payables	(299,376)	(286,121)	(198,419)	(185,163)
- Bank loans	(82,133)	(82,133)	(319,622)	(319,622)
- Leases	(19,050)	(7,176)	(30,341)	(18,468)
Net exposure	(224,475)	(207,809)	(642,425)	(625,761)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

30. Financial instruments (continued)

	2021		2020	
(ii) In US Dollars	Group USD'000s	Company USD'000s	Group USD'000s	Company USD'000s
Financial assets				
- Cash at bank	5,124	4,682	722	354
- Trade receivables	8,907	8,779	1,074	967
- Other receivables	1,743	1,254	797	391
Financial liabilities				
- Bank overdrafts	(5,256)	(4,704)	(7,261)	(6,802)
- Trade and other payables	(17,884)	(17,092)	(9,852)	(9,194)
- Bank loans	(4,906)	(4,906)	(15,870)	(15,870)
- Leases	(1,138)	(429)	(1,507)	(917)
Net exposure	(13,410)	(12,416)	(31,897)	(31,071)
(i) In Zambian Kwacha 2021 - Group	US Dollar ZMW'000s	SA Rand ZMW'000s	Other ZMW'000s	Total ZMW'000s
Financial Assets				
- Cash at bank	76,631	9,343	616	86,590
- Trade receivables	151,559	5,849	-	157,408
- Other receivables	265	18,486	2,623	21,374
Financial Liabilities				
- Bank overdrafts	(83,234)	(7,051)	-	(90,285)
- Trade and other payables	(276,122)	(17,325)	(2,470)	(295,917)
- Bank loans	(82,133)	-	-	(82,133)
- Leases	(12,959)	-	-	(12,959)
Net exposure	(225,993)	9,302	769	(215,922)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

30. Financial instruments (continued)

(i) In Zambian Kwacha 2020 - Group	US Dollar	SA Rand	Other	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Financial Assets				
- Cash at bank	13,074	731	727	14,532
- Trade receivables	21,607	15	-	21,622
- Other receivables	8,294	3,880	3,869	16,043
Financial Liabilities				
- Bank overdrafts	(146,240)	-	-	(146,240)
- Trade and other payables	(178,027)	(18,835)	(1,557)	(198,419)
- Bank loans	(319,622)	-	-	(319,622)
- Leases	(30,341)	-	-	(30,341)
Net exposure	(631,255)	(14,209)	3,039	(642,425)
(ii) In US Dollars – Group - 2021				
	US Dollar	SA Rand	Other	Total
	USD'000s	USD'000s	USD'000s	USD'000s
Financial Assets				
- Cash at bank	4,578	558	37	5,173
- Trade receivables	9,054	349	-	9,403
- Other receivables	16	1,104	157	1,277
Financial Liabilities				
- Bank overdrafts	(4,972)	(421)	-	(5,393)
- Trade and other payables	(16,495)	(1,035)	(148)	(17,678)
- Bank loans	(4,906)	-	-	(4,906)
- Leases	(774)	-	-	(774)
Net exposure	(13,499)	555	46	(12,898)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

30. Financial instruments (continued)

(ii) In US Dollars – Group - 2020	US Dollar	SA Rand	Other	Total
	USD'000s	USD'000s	USD'000s	USD'000s
Financial Assets				
- Cash at bank	649	36	36	721
- Trade receivables	1,073	1	-	1,074
- Other receivables	412	193	192	797
Financial Liabilities				
- Bank overdrafts	(7,261)	-	-	(7,261)
- Trade and other payables	(8,839)	(935)	(77)	(9,851)
- Bank loans	(15,870)	-	-	(15,870)
- Leases	(1,507)	-	-	(1,507)
Net exposure	(31,343)	(705)	151	(31,897)

Exposure to currency exchange rates arise from the Group's sales and purchases which are primarily denominated in US Dollar and South African Rand. The Group's activities expose it to a variety of financial risks. The main risks faced by the Group relate to foreign exchange rates, the risk of default by counterparties to financial transactions and the availability of funds to meet business needs.

These risks are managed as described below:

(i) **Currency risk**

Some of the interest-bearing borrowings are denominated in foreign currencies and therefore lead to a risk of fluctuation of value due to changes in the foreign exchange rate. This risk is partially hedged by holding United States Dollar bank balances and United States Dollar denominated exports.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

30. Financial instruments (continued)

The table below shows the extent to which Group companies have interest bearing liabilities in currencies other than their functional currency:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH	-	-	222,547	11,050
International Finance Corporation	34,484	2,060	97,075	4,820
	34,484	2,060	319,622	15,870

Foreign currency risk sensitivity analysis

Zambian Kwacha/United States Dollar exchange risk

The following tables illustrate the sensitivity of the net result for the year and equity with regard to the Group's foreign currency borrowings "with all other things being equal". It assumes a +/-10 percent and 5 percent, movement in the United States Dollar/Zambian Kwacha exchange rate for the year ended 30 September 2021.

If the Zambian Kwacha had weakened against the United States dollar by 10 percent (2020: 10 percent) then this would have resulted in the following impact on net profit and equity:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Weakening of the Kwacha				
Net loss	136,725	7,687	(130,545)	(7,450)
Equity	3,834,287	202,908	3,740,112	168,823

If the Zambian Kwacha had strengthened against the United States Dollar by 5 per cent. (2020: 5 per cent) then this would have resulted in the following impact on net profit and equity:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Strengthening of the Kwacha				
Net profit	184,668	12,021	(84,564)	(5,505)
Equity	3,882,230	202,908	3,788,055	197,985

There is no material difference between the carrying value and the fair value of the Group's financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

30. Financial instruments (continued)

(ii) Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from overdraft facilities and long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk. The interest rates to which the Group is exposed are set out in notes 20, 23 and 24. The risk of interest rate movements is managed through on-going monitoring of the Group's overdrafts and long-term borrowings, the spreading of debt between a number of financial institutions and the denomination of debt in Zambian Kwacha and USD.

The Group's term facilities are medium to long term with fixed spread over LIBOR. A 0.5 percent movement in the LIBOR rate would not have a material impact on the interest expense for the Group.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change of interest of +/- 5%. These changes are considered to be reasonably possible based on the current market conditions that have been adversely affected by the outbreak of COVID-19. All other variables are held constant.

Changes in interest rates	Profit		Equity	
	+5%	-5%	+5%	-5%
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
30 September 2021	(55,726)	55,726	(44,681)	35,666
30 September 2020	(34,829)	34,829	(27,863)	22,291

Changes in interest rates	Profit		Equity	
	+5%	-5%	+5%	-5%
	USD'000s	USD'000s	USD'000s	USD'000s
30 September 2021	(2,638)	2,638	(2,116)	1,688
30 September 2020	(2,154)	2,154	(1,723)	1,379

(iii) Market risk

The Group is not exposed to the risk of the value of its financial assets fluctuating as a result of changes in market prices.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

30. Financial instruments (continued)

(a) Credit risk

(i) Trade receivables

The Directors believe the credit risk of trade receivables is low. The credit risk is managed by the selective granting of credit.

(b) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations associated with its financial liabilities. The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on any undrawn borrowing facilities so that the Group does not breach limits or covenants (where applicable) on any of its borrowing facilities. The maturity of the Group's financial liabilities with respect to borrowings is set out in notes 20, 23 and 24.

30 September 2021

	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	later than years
	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Interest bearing liabilities	113,990	227,980	178,284	-
Other bank borrowings	-	490,204	-	-
Lease obligations	12,174	12,174	7,497	-
Trade and other payables	468,444	-	-	-

30 September 2021

	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	later than years
	USD'000	USD'000	USD'000	USD'000
Interest bearing liabilities	6,809	13,619	10,650	-
Other bank borrowings	-	28,283	-	-
Lease obligations	363	727	448	-
Trade and other payables	27,983	-	-	-

31. Fair value measurement

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

31. Fair value measurement (continued)

The Group had no financial assets within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 September 2021, 30 September 2020, and 1 October 2019.

Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 30 September 2021, 30 September 2020, and 1 October 2019:

30 September 2021	Level 1	Level 2	Level 3	Total
	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Land held for production in Zambia	-	2,186,376	-	2,186,376
Office building in Zambia	-	50,585	-	50,585
Plant and machinery	-	759,885	-	759,885
Biological assets	-	368,802	-	368,802

30 September 2020	Level 1	Level 2	Level 3	Total
	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Land held for production in Zambia	-	2,396,328	-	2,396,328
Office building in Zambia	-	50,585	-	50,585
Plant and machinery	-	1,006,185	-	1,006,185
Biological assets	-	176,305	-	176,305

1 October 2019	Level 1	Level 2	Level 3	Total
Land held for production in Zambia	-	1,994,196	-	1,994,196
Office building in Zambia	-	48,856	-	48,856
Plant and machinery	-	874,965	-	874,965
Biological assets	-	170,417	-	170,417

30 September 2021	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
Land held for production in Zambia	-	130,608	-	130,608
Office building in Zambia	-	3,022	-	3,022
Plant and machinery	-	45,393	-	45,393
Biological assets	-	22,031	-	22,031

30 September 2020	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
Land held for production in Zambia	-	118,784	-	118,784
Office building in Zambia	-	2,511	-	2,511
Plant and machinery	-	49,959	-	49,959
Biological assets	-	8,754	-	8,754

1 October 2019	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
Land held for production in Zambia	-	151,076	-	151,076
Office building in Zambia	-	3,701	-	3,701
Plant and machinery	-	66,284	-	66,284
Biological assets	-	12,910	-	12,910

Fair value of the Group's main property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers, Fairworld Properties Limited. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors and audit committee at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

31. Fair value measurement (continued)

Further information is set out below.

Land held for production in Zambia (Level 2)

Land has been valued using the direct comparison method. This method has been adopted as the most appropriate for the purpose of this valuation as there are enough comparisons available on the open market for land. The land was revalued on 30 September 2021. Management determined that the effect of changes in fair values between the valuation and reporting date is immaterial.

The significant unobservable input is the adjustment for factors specific to the land in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

Office building in Zambia (Level 2)

The fair values of the office buildings are estimated by using the direct comparison method. This method has been adopted as the most appropriate for the purpose of this valuation as there are enough comparisons available on the open market for buildings.

Plant and machinery (Level 2)

Plant and machinery have been valued using the direct comparison method. This method has been adopted as the most appropriate for the purpose of this valuation as there are enough comparisons available on the open market for plant and machinery. The plant and machinery were revalued on 30 September 2021. Management determined that the effect of changes in fair values between the valuation and reporting date is immaterial.

Biological assets (Level 2)

Biological assets are valued at their fair values less estimated point of sale costs as determined by the Directors. The fair value of livestock is determined based on market prices of animals of similar age, breed and genetic merit. Standing crops are valued at fair value at each reporting date based on the estimated market value of fully grown standing crops adjusted for the age and condition of the crops at the reporting date.

Biological assets are measured at fair value less estimated costs to sell. In estimating fair values and costs to sell, management considers the most reliable evidence at the times the estimates are made.

The most significant estimate relates to management's assessment of anticipated yield per hectare for establishing the fair value of standing crops. This assessment considers historical yields, climate conditions and other key factors. The significant input is adjustment related to the crops rate of growth and estimating of the biological transformation that comprises various processes that cause qualitative and quantitative changes in the biological asset.

32. Capital commitments

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Capital commitments entered into at the reporting date	2,100	125	6,690	332
Not contracted for at the reporting date	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

33. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of the significant transactions between the Group and other related parties during the year ended 30 September 2021 are as follows:

- (a) The Group made the following sales to related parties:

		2021		2020	
Sale of		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Wellspring Ranch	Animal feeds/ bran	-	-	98	6
Danny Museteka	Animal feeds/ bran	593	28	4,568	282
Squares Ranch	Animal feeds/ bran	-	-	28	2
		593	28	4,694	290

- (b) The Group made the following purchases from related parties:

		2021		2020	
Purchase of		ZMW'000s	USD'000s	ZMW'000s	USD'000s
Wellspring Limited	Cattle beef	-	-	5,553	343
Tembilo Farms	Chickens	307	15	1,301	80
Tractorzam Limited	Tractors/spares	-	-	6,176	382
Chisamba Ranching and Cropping	Beef	-	-	26,495	1,638
Lillian Limbuka	Pigs	7,719	365	4,727	292
		8,026	380	44,252	2,735

- (c) Sales of goods to related parties were made at the Group's usual list prices.
 (d) Purchases were made at market price.
 (e) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.
 (f) No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.
 (g) The parties are related by virtue of certain Directors of the Group having a shareholding in the respective companies.
 (h) Directors of the Group have shareholdings in the Company as stated in the Report of the Directors. No dividends have been paid to the Directors via their direct and indirect shareholdings.
 (i) Key management compensation.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

33. Related party transactions (continued)

The remuneration of Directors and other members of key management during the year were as follows:

	2021		2020	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Short-term benefits	141,669	108,889	81,862	70,091
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
	Short-term benefits	6,708	5,156	5,062
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

- (j) There were no loans to related parties and key management personnel.
- (k) The Company made the following sales to related parties:

	2021		2020	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Zambeef Retailing Limited	996,507	47,183	1,071,967	66,294
Masterpork Limited	29,430	1,393	32,102	1,985
Zam Chick Limited	224,118	10,612	193,246	11,951
Zamhatch Limited	91,840	4,348	116,626	7,213
Zamleather Limited	1,799	85	211	13
Wellspring Limited	-	-	98	6
Squares Ranch	-	-	28	2
Danny Museteka	-	-	4,568	282
	1,343,694	63,621	1,418,846	87,746

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

33. Related party transactions (continued)

(l) The Company made the following purchases from related parties

	2021		2020	
	ZMW'000	USD'000	ZMW'000	USD'000
Zambeef Retailing Limited	3,810	180	1,852	115
Zamleather Limited	2,239	134	1,805	112
Zam Chick Limited	1,958	117	913	56
Tractorzam Limited	-	-	6,176	382
Masterpork Limited	19,956	945	40,583	2,510
Squares Ranch	-	-	705	44
Zamhatch Limited	7,086	423	24,690	1,527
Chisamba Ranching and Cropping	-	-	1,237	77
Wellspring Limited	-	-	5,553	343
	35,049	1,799	83,514	5,166

34. Assets held for sale

In the year 2020 management decided to sell Chiawa Farm. As such the assets and liabilities of Chiawa Farm are classified as assets held for sale. The sale is expected to materialise in the next year as investor confidence in the country's economy has improved over the period. Chiawa Farm is a part of the cropping segment.

Previously management had decided to sell the assets of Sinazongwe Farm and the sale was concluded during the financial year ended 30 September 2020.

The income generated by assets held for sale was as follows:

	September 2021	September 2021	September 2020	September 2020
	ZMW'000	USD'000	ZMW'000	USD'000
Revenue	181,519	8,595	67,465	4,172
Cost of sales	(108,382)	(5,132)	(30,893)	(1,911)
Administration costs	(34,292)	(1,624)	(28,422)	(1,757)
Operating profit/(loss)	38,845	1,839	8,150	504
Depreciation	(6,896)	(326)	(6,621)	(409)
Exchange losses	-	-	-	(168)
Profit from disposal of Sinazongwe farm	-	-	31,906	2,141
Profit from asset held for sale before tax	31,949	1,513	-	-
Tax (expense)/credit	-	-	-	-
Profit for the year	31,949	1,513	33,435	2,068

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

34. Assets held for sale (continued)

The assets and liabilities of the unit held for sale are as follows:

	September 2021	September 2021	September 2020	September 2020
	ZMW'000	USD'000	ZMW'000	USD'000
Property, plant and equipment	170,550	10,188	175,654	8,722
Total non-current assets	170,550	10,188	175,654	8,722
Biological assets	-	-	-	-
Inventories	-	-	-	-
Total current assets	-	-	-	-
Assets classified as held for sale	-	-	-	-
Total non-current liabilities	-	-	-	-
Trade and other payables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total current liabilities	-	-	-	-

The cash flow effects of the unit held for sale are as follows:

	September 2021	September 2021	September 2020	September 2020
	ZMW'000	USD'000	ZMW'000	USD'000
Cash outflow from operating activities	31,949	1,513	1,529	95
Cash inflow from investing activities	-	-	167,264	10,344
Cash outflow from financing activities	-	-	-	-

Previously management decided to sell the assets of Sinazongwe Farm and the sale was concluded during the financial year ended 30 September 2020.

The sale proceeds from the sale of Sinazongwe farm was K167.3 million (USD 10.3 million) after the payment of property transfer tax of K8 million (USD 498.8 thousand) and other disposal costs. A profit of K31.906 million was realised from the disposal of the property, plant and equipment which was carried at K135.36 million.

35. Contingent liabilities

Various legal claims were brought against the Group during the year. Unless recognised as a provision (see Note 27), management considers these claims to be unjustified and the probability that they will require settlement at the Group's expense to be remote. This evaluation is consistent with external independent legal advice.

36. Impact of COVID-19 pandemic

All the divisions of the Group remained operational throughout the pandemic with only minor localised disruption of business activities. Consumer demand had however remained strong throughout the period as the country did not go into a total lockdown. Social distancing, sanitising and wearing of masks has been implemented at all work sites among employees and also at the retail outlets for the customers.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

37. Comparative figures

Where necessary, comparative figures have been reclassified to simplify proper assessment as follows:

- Distribution costs – Distribution costs of ZMW66,770 thousand have been reclassified from administration expenses and are presented separately on the face of the statement of comprehensive income.
- Right of use assets – Non-cash and cash flows in the statement of cash flows, have been reclassified from investing activities and operating activities respectively. They are classified as cash outflow on investing activities of ZMW15,425 thousand and charge on right of use assets of ZMW8,362 thousand.
- Tax reconciliation – Tax reconciliation was recast to show the breakdown of non-deductible expenses amounting to ZMW6.5million in 2021 compared to ZMW59.9million in 2020.

Further the unrecognised deferred tax asset of ZMW36.4million in 2021 compared to ZMW87.9million in 2020 was disclosed in the reconciliation.

38. Events subsequent to reporting date

No item, transaction or event of a material and unusual nature has arisen since 30 September 2021, which in the opinion of the directors would substantially affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in the subsequent financial years



27TH ANNUAL GENERAL MEETING





Zambeef Products PLC
("Zambeef" or the "Group")
[INCORPORATED IN THE REPUBLIC OF ZAMBIA]
COMPANY REGISTRATION NUMBER: 31824
SHARE CODE: ZAMBEEF
ISIN: ZM0000000201

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 27th Annual General Meeting of the members of the company will be held virtually on Tuesday, December 21 2021 at 10:00 hours; in respect of the year ended 30 September 2021.

AGENDA

1. Minutes of the previous meeting

To receive and note the minutes of the 26th Annual General Meeting held on 24 December, 2020 duly approved by the Chairman in accordance with the Companies Act.

2. Financial statements

To receive adopt and approve the reports of the Directors, the Auditors and the Financial Statements for the year ended September 30, 2021 - (**Ordinary resolution number 1**)

3. Ordinary Resolutions

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions;

3.1 Ordinary resolution number 2 – Confirmation of appointment of directors – Roman Frenkel, Pearson Gowero and Katebe Monica Musonda

To confirm the appointment of Messer's Roman Frenkel, Pearson Gowero and Ms Monica Musonda, who were appointed by the board as a director with effect from 1st March, 2021.

3.2 Ordinary resolution number 3 – Re-election of directors retiring by rotation

To re-elect each of Messrs Frank Braeken, Yollard Kachinda and Michael Mundashi SC who retire by rotation in terms of Companies Act, and who, being eligible, offer themselves for re-election.

The board recommends their re-election to shareholders.

3.3 Ordinary resolution number 4 – Appointment of the independent auditor

Pursuant to the requirements of sections 257(1) of the Companies Act No. 10 of 2017, and as nominated by the company's Audit Committee, to resolve that Messer's PricewaterhouseCoopers be appointed as the company's independent registered auditor for the financial year ending 30 September 2022 and to authorise the directors to determine their remuneration.

4. Non - Declaration of final dividend

The directors recommend that no dividend be paid for the financial year-ending 30 September 2021. It is noted that in terms of company's Articles, the company may only declare a dividend if the directors have recommended a dividend.

5. Other business

To transact such other business as may be transacted at an annual general meeting of members.

NOTES

Key Sign Up instructions

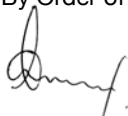
- a). Sign Up
- Use the following link to access the platform; <https://eagm.creg.co.zw/EAGM/Login.aspx>
 - First time users are required to sign-up by clicking the “Sign Up” option.
 - If you registered previously, you do not need to sign up again. Kindly use the same logging credentials that you used before. If you have forgotten your details, use the “Forgot Password” function on the login window to retrieve your details.
 - Attendees are to indicate the criteria of their attendance of the provided options i.e. Shareholder/Non-Shareholder/Proxy
 - Attendees are required to provide the necessary information to complete the sign-up procedure.
 - Once Sign-up has been completed, the admins will validate information provided before granting access to attendees. Once validated, login credentials will be delivered through email and sms. The validation process may take a maximum period of 48hrs.
- b). Sign in
- Use the following link to access the platform: <https://eagm.creg.co.zw/EAGM/Login.aspx>
 - Enter username
 - Enter Password
 - Click Login
 - Click “Register” on the blue button to confirm online attendance
 - Click “Join” to begin following video and audio transmission of meeting proceedings.
 - Click “Join with Computer Audio” to attend the live meeting
- (c) Ensure that you have downloaded Google Chrome <https://www.google.com/chrome/> or Microsoft Edger <https://www.microsoft.com/en-us/edge> for better experience.
- (d) Use of Apple devices must be done in consultation with the system Administrator, details of which are given below.
- (e) If you have problems with the login, please call, the following helplines +260950968435, +260979420470 and +260979946143.

A Member is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. A proxy need not be a member of the Company. Proxies must be lodged at the registered office of the Company at least 48 hours before the time fixed for the meeting.

Queries pertaining to shareholder relations such as change of address or bank details are to be channelled through the Transfer Secretaries, whose contact address is:

Corpserve Transfer Agents Limited
6 Mwaleshi Road, Olympia Park, Lusaka, Zambia
Telephone : +260 (211) 256969/70
Facsimile : +260 (211) 256975
Email: - info@corpservezambia.com.zm

By Order of the Board



Mwansa M Mutimushi

COMPANY SECRETARY

December 2020 AGM Attendance Register

Zambeef Products Plc

1) Proxies

Name	Proxy	Shares Held
Standard Chartered Zambia Securities Services Nominees Ltd (CDC)	Michael Mundashi SC	52,601,435
National Pension Scheme Authority	Golden Kapopo	24,797,819
Saturnia Regna Pension Trust Fund	Mumba Musunga	17,793,214
Sussex Trust	John Rabb	14,000,000
KCM Pension Trust Scheme	Mumba Musunga	6,960,906
Zambia Sugar Pension Trust -Scheme	Mumba Musunga	3,288,436
Stanbic Bank Pension Trust Fund	Mumba Musunga	2,878,354
Barclays Bank Staff Pension Trust Fund	Mumba Musunga	2,477,657
Zanaco Plc Dc Pension Scheme	Mumba Musunga	1,334,161
Standard Chartered Bank Pension Trust Fund	Mumba Musunga	1,108,671
Lafarge Cement Zambia Plc Pension Trust Scheme	Mumba Musunga	1,012,190
Indeni Pension Trust Scheme	Mumba Musunga	990,224
Picz Pension Trust-Money Purchase	Mutale Mpundu	616,160
CEC Pension Trust Scheme	Mumba Musunga	563,950
Lubambe Copper Mines Pension Trust Scheme	Mumba Musunga	532,763
Buyantanshi Pension Trust Fund	Mumba Musunga	524,155
Sandvic Mining Pension Scheme	Mumba Musunga	493,562
Airtel Zambia Staff Pension Fund	Mumba Musunga	473,966
Cavmont Bank Zambia Pension Trust Scheme	Mumba Musunga	308,678
National Breweries Pension Trust Scheme	Mumba Musunga	202,112
Golden Sunset Pension Fund	Mumba Musunga	196,544
Rail Systems of Zambia	Mutale Mpundu	175,160
Examinations Council of Zambia	Mutale Mpundu	171,877
Prudential Life Assurance Zambia Limited	Mutale Mpundu	154,460
Ecobank Zambia Limited Pension Trust Scheme	Mumba Musunga	154,259
SCZ International Ltd Pension Trust	Mumba Musunga	141,503
Finance Bank	Mutale Mpundu	137,931
Deloitte And Touch Pension Trust Schemd	Mumba Musunga	124,994
Zambia National Building Society	Mutale Mpundu	110,266
Sun International Pension Trust Scheme	Mumba Musunga	94,913
UTI Zambia Limited Staff Pension Trust Scheme	Mumba Musunga	81,709
Africa 53	Mutale Mpundu	66,689
Toyota Zambia	Mutale Mpundu	65,808
Workcom Pension Trust Scheme	Mumba Musunga	59,199
Workcom Trust Pension Scheme Ppmz	Mutale Mpundu	59,198
Multichoice Pension Scheme	Mutale Mpundu	50,334
Buyantanshi Pension Trust Fund	Mutale Mpundu	47,393
Zambezi River Authority	Mutale Mpundu	40,600
Health Sector Grant Aided Institutions Pension Scheme	Mumba Musunga	30,000

Name	Proxy	Shares Held
Young And Rubicam Pension Trust Scheme	Mumba Musunga	24,438
Zambia Episcopal Conference (ZEC)	Mutale Mpundu	15,277
Lusaka Trust Pension Scheme	Mutale Mpundu	14,558
Final Salary	Mutale Mpundu	13,790
ZRL Pension Trust Scheme	Mutale Mpundu	5,704
Sanlam Life Insurance (Z) Ltd	Mumba Musunga	4,550
Game Stores Pension Trust Scheme	Mumba Musunga	3,191
Stockbrokers Zambia Ltd.	Boniface Mwamba	1,926
Total		135,004,684

2) Attendees - Shareholders

Name	Proxy	Shares Held
Mbewe Conrad		7,048
Liebenthal Robert & Ompie M		4,688
Namakando Namakando		1,003
Patrick Ngosa		730
Chilufya Musonda Clarence		447
Nsama Mubanga Burnham		371
Dennis Mhango		172
Total		14,459

3) Attendees - Non Shareholders

Name	Representing	Count
Prisca Chizi	Corpserve Zambia	1
James Ndhlovu	Corpserve Zambia	2
Tim Harper	Finnicap	3
Nyambe Mbanga	Grant Thornton	4
Chilala Banda	Grant Thornton	5
Christopher Mulenga	Grant Thornton	6
Gillian Langmead	Langmead & Baker Ltd	7
Kebby Kaumbi	National Pensions Scheme Authority	8
Musopelo Mwanda	National Pensions Scheme Authority	9
Tidale Mwale - Chisunka	Pangaea Securities	10
Nenani Sichone	Pangaea Securities	11
Ernest Kando	Prudential Life Assurance Zambia	12
Diana Mkonda	Standard Chartered Bank	13
Mulolwa Nkhata	Standard Chartered Bank	14
Jack Kanyanga	Stockbrokers Zambia Limited	15
Caroline Mulaga	Zambeef Products Plc	16
Baron Chisola	Zambeef Products Plc	17
Danny Museteka	Zambeef Products Plc	18
Kenny Mukulo	Zambeef Products Plc	19
Chishala Malekano	Zambeef Products Plc	20
Emmanuel Chembo	Zambeef Products Plc	21
Mulwanda Sichula	Zambeef Products Plc	22
Faith Mukutu	Zambeef Products Plc	23
Mboo Mumba	Zambeef Products Plc	24



ZAMBEEF PRODUCTS PLC

FORM OF PROXY

For the 27th Annual General Meeting

I/We _____
(Name/s in block letters)

of _____ (address) Number of votes

being a member/ member of the above-named Company hereby appoint

1. _____ of _____ or in his absence (1 share = 1 vote)

1. _____ of _____ or in his absence

3. the Chairman of the meeting

As my/our proxy to vote for me/us on my/our behalf at the annual meeting of the company to be held virtually on Tuesday 21 December 2021 at **10:00** hours and at any adjournment thereof as follows:

Resolution No.	Agenda Item	Mark with X where applicable		
		In Favour	Against	Abstain
1	To receive adopt and approve the reports of the Directors, the Auditors and the Financial Statements for the year ended September 30, 2021			
2	Confirmation of Appointment of Directors: -			
	i. Roman Frenkel			
	ii. Pearson Gowero			
	iii. Katebe Monica Musonda			
3	Re-election of directors			
	i. Frank Braeken			
	ii. Yollard Kachinda			
	iii. Michael Mundashi SC			
4.	Pursuant to Sec. 257 of the Companies Act: To appoint Messer's PricewaterhouseCoopers as the independent auditors and authorise the directors to determine the auditor's fees.			

Unless otherwise instructed, the proxy will vote as he thinks fit.

Signed at _____ on this _____ day of _____ 2021

Signature _____

Assisted by me (where applicable) (see note 3) _____

Full name/s of signatory/ies if signing in a representative capacity (see note 4) _____

NOTES TO THE FORM OF PROXY

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
2. If this proxy form is returned without any indication as to how the proxy should vote, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.
3. A minor must be assisted by his/her guardian.
4. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless the Company has already recorded that authority.
5. In order to be effective, proxy forms must reach the registered office of the Company or the transfer secretaries before the Annual General Meeting.
6. The delivery of the duly completed proxy form shall not preclude any member or his/her duly authorised representative from attending the meeting, speaking and voting instead of such duly appointed proxy.
7. If two or more proxies attended the meeting, then that person attending the meeting whose name appears first on the proxy form, and whose name is not deleted, shall be regarded as the validly appointed proxy.



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