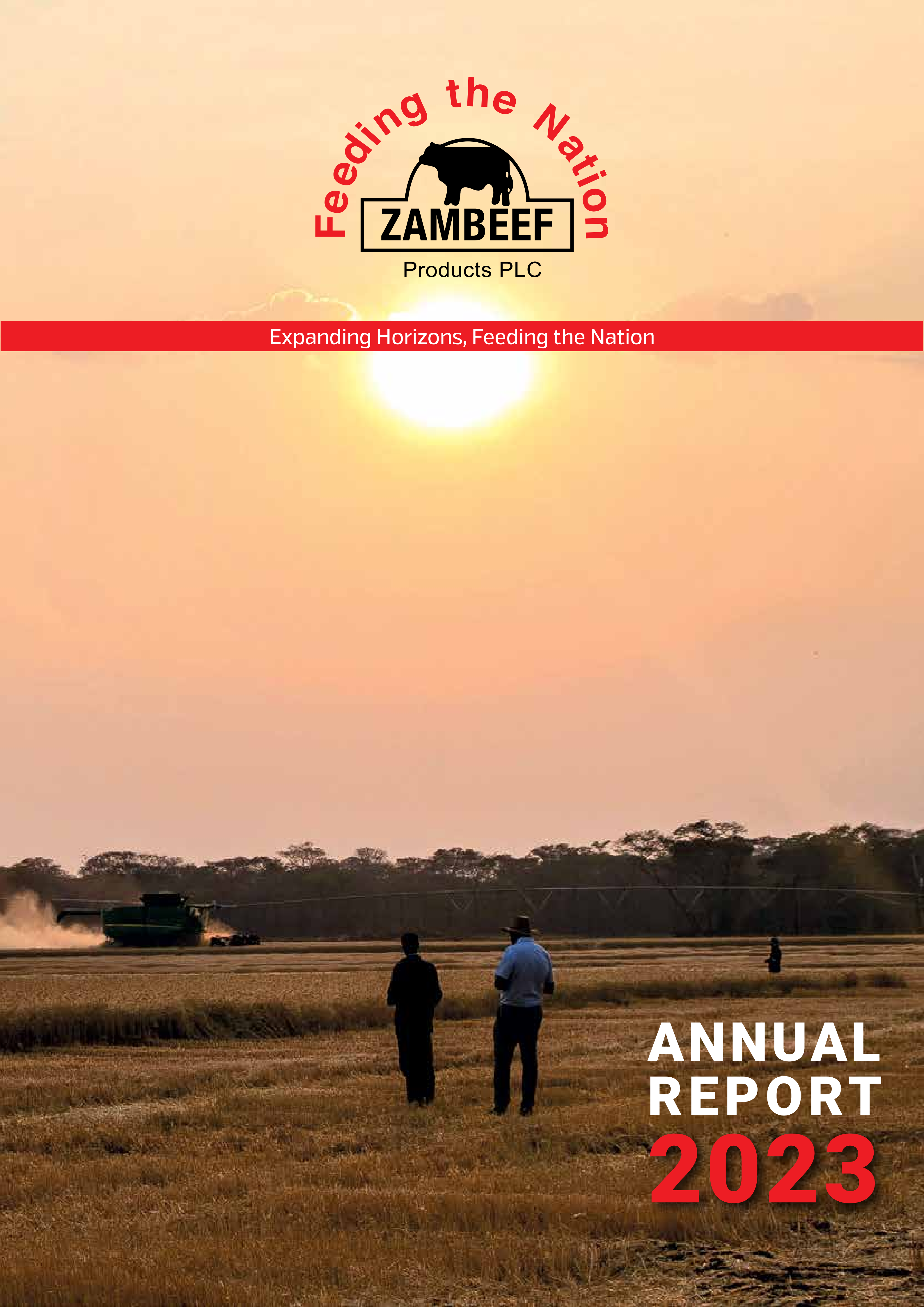
Feeding the Nation

ZAMBEEF

Products PLC

Expanding Horizons, Feeding the Nation



ANNUAL REPORT 2023

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Zambeef at a Glance

Who we are

- 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, dairy, fish, flour, stockfeed and day-old chicks throughout Zambia and the surrounding region. It has further retail operations in Nigeria and Ghana.
- Zambeef also has one of the largest row cropping operations in Zambia, growing wheat, soya beans and maize. Zambeef plants nearly 20,987 hectares annually, with most of the resulting crops being used in the Zambeef animal feed and flour milling businesses.

Our Focus

To be the food provider of choice through accessible, affordable and reliable supply. We aspire to be the most sustainable social, environmental and financially viable business in the diversified foods industry within Zambia and the region.

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.

Business Segments

Retailing and Cold Chain Food Products

Zambeef's products are retailed through 237 outlets (2022: 233) directly to end-consumers, in a value-added form, either through the Zambeef concession agreement to operate Shoprite's in-store butcheries (41 in 2023; 41 in 2022) or through Zambeef's own retail and wholesale distribution network in Zambia (196 in 2023; 182 in 2022).

Zambeef operates inhouse bucheries in West Africa - Nigeria and Ghana.

Zambeef also operates one of the largest transport and trucking fleets in Zambia (252 trucks), giving Zambeef control over its logistics and distribution.

Zambeef at a Glance (continued)

- The largest processor of beef in Zambia.
- Five active beef abattoirs (capacity to slaughter 230,000 head p.a.) and five feedlots located across Zambia (standing capacity 16,000 head).
- 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 9.4m broilers p.a.). The Group's breeding and hatchery operations also supply large quantities of day-old broiler chicks (capacity 25m p.a.) to small- and medium-scale poultry producers.
- One of the largest pork processing plants in Zambia, producing bacon, pork sausages and other meat products. (capacity to slaughter 102,000 heads p.a.)
- Dairy farm with approximately 3,685 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.

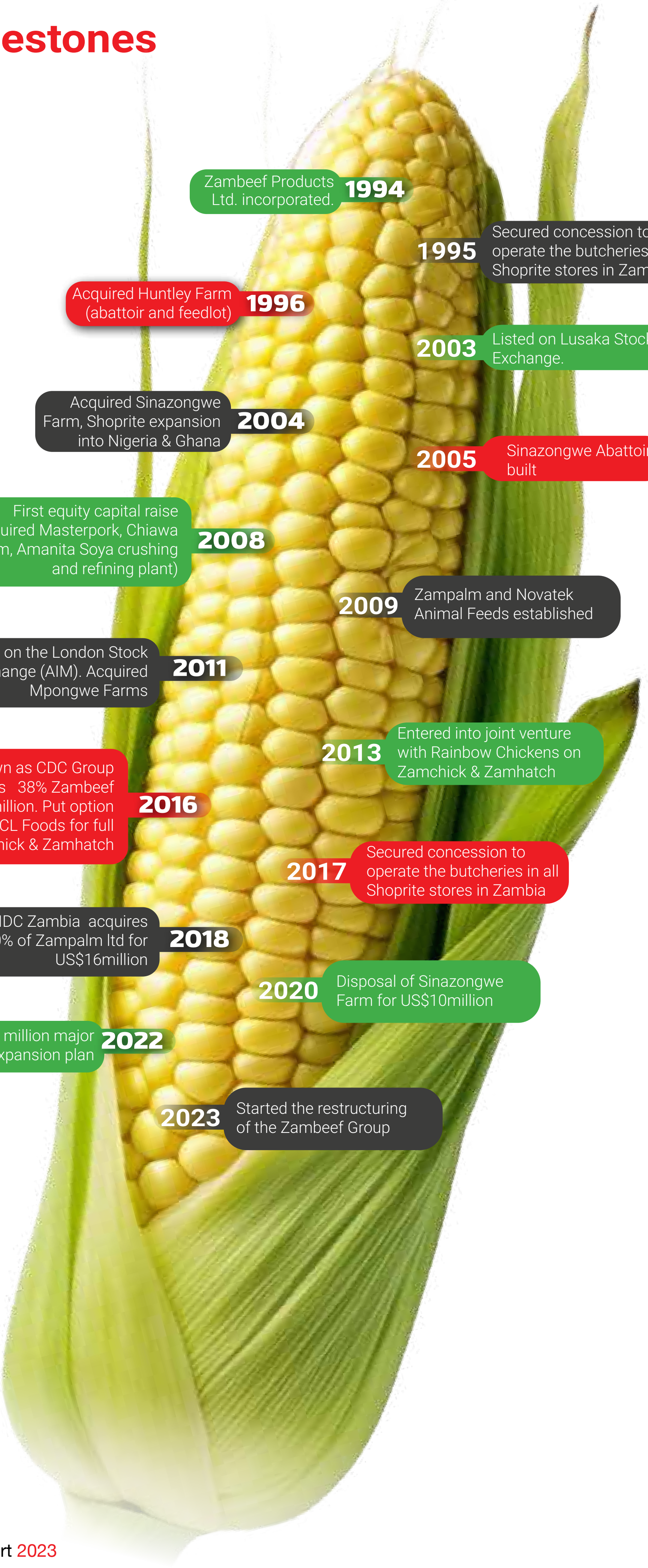
Cropping and Milling

- The leading stockfeed producer in Zambia, operating two feed mills, in Lusaka and Mpongwe, with a capacity of 300,000 tonnes p.a.
- Novatek is the only stockfeed producer in Zambia with ISO 22,000 Food Safety Management certification.
- Novatek supplies feed to Zambeef livestock farming operations and also supplies 168 branded shops owned by external agents (2022: 168) in addition to Zambeef retail outlets.

- One of the largest row cropping operations in Zambia.
- In winter Zambeef plants 7,265 Ha and a total 15,189 Ha is planted in Summer. Due to double cropping of irrigated land the total area planted annually is 22,454 Ha.
- Crop production focuses on soyabeans and maize during summer and wheat during winter.

- Wheat mill with a capacity to mill 25,000 MT of wheat p.a.
- The largest tannery in Zambia, with a processing capacity of 144,000 hides p.a.
- The largest shoe manufacturing plant in Zambia, with a production capacity of 153,000 pairs p.a.
- One bakery with the capacity to bake 1.2 million loaves of bread p.a.

Key Milestones



1994 Zambeef Products Ltd. incorporated.

1995 Secured concession to operate the butcheries in all Shoprite stores in Zambia

1996 Acquired Huntley Farm (abattoir and feedlot)

2003 Listed on Lusaka Stock Exchange.

2004 Acquired Sinazongwe Farm, Shoprite expansion into Nigeria & Ghana

2005 Sinazongwe Abattoir built

2008 First equity capital raise (Acquired Masterpork, Chiawa Farm, Amanita Soya crushing and refining plant)

2009 Zampalm and Novatek Animal Feeds established

2011 Listed on the London Stock exchange (AIM). Acquired Mpongwe Farms

2013 Entered into joint venture with Rainbow Chickens on Zamchick & Zamhatch

2016 BII formerly known as CDC Group PLC acquires 38% Zambeef equity for US$65million. Put option settled to RCL Foods for full interests in Zamchick & Zamhatch

2017 Secured concession to operate the butcheries in all Shoprite stores in Zambia

2018 IDC Zambia acquires 90% of Zampalm ltd for US$16million

2020 Disposal of Sinazongwe Farm for US$10million

2022 USD$100 million major expansion plan

2023 Started the restructuring of the Zambeef Group

Feeding a growing region

Our foot print

Ghana	2023	2022
Shoprites	7	7
Total Ghana	**7**	**7**

Nigeria	2023	2022
Shoprites	26	25
Master Meats Outlets	1	0
Total Nigeria	**27**	**25**

Zambia	2023	2022
Zambeef Outlets	59	60
Zambeef Macros	50	50
Novatek	42	36
Bakery	3	1
Zamshu Outlets	42	35
Total Zambeef Outlets	196	182
Shoprites	41	41
Total Zambia	**237**	**223**

	2023	2022
Total Zambeef	196	182
Total Shoprites	74	73
Total Master Meats	1	0
Total Retail Network	**271**	**255**

CHAIRMAN'S REPORT

The Group's performance underscores our resilience within an ever-evolving market and highlights the robustness of our vertically integrated business model, the cornerstone in creating enduring value for our esteemed shareholders.

Dear Shareholder,

Over the past financial year, we navigated an extremely challenging operational landscape. The primary drivers' midst the ongoing economic headwinds in Zambia were other factors such as the longer-than-planned foreign debt restructuring, subdued copper mining activities, and the devastating impact of climate change affecting crop yields and rainfall patterns.

At the back of these adversities, the 2023 Government GDP growth projection of 4.2% was revised downwards to 2.7%. Consequently, the country saw a tightened monetary policy coupled with food and energy inflation which led to a reduced liquidity situation and limited consumer expenditure. The depreciation of the Kwacha against major foreign currencies led to escalated costs in critical inputs such as fuel and agricultural inputs, further putting pressure on margins.

Despite the tough operating environment, our management team remained focused on our strategy and through a concerted effort, prioritising revenue maximisation, volume growth and cost management, which positioned the group for the commendable results achieved.

The Group's performance underscores our resilience within an ever-evolving market and highlights the robustness of our vertically integrated business model, the cornerstone in creating enduring value for our esteemed shareholders.

Strategy

The Board maintains its unwavering commitment to realizing the Group's strategic objectives, even in the face of seasonal market dynamics and economic fluctuations. The five-year strategy focuses on:

- Strengthening our core business through targeted investments and expanding market share.
- Crafting a tailored human capital strategy to meet the organizational needs.
- Enhancing strategic partnerships to bolster our competitive edge and market position.
- Divestiture of non-core assets to allocate resources effectively.

The three to five-year US$100 million expansion program, announced last year, is poised to bolster various value chain capacities within the Group. This initiative is anticipated to have a transformative impact on the Zambian economy, fostering job creation, augmenting tax revenues, and providing essential support to ancillary enterprises, including small-scale farmers and medium-sized businesses. The

Chairman's Report (continued)

expansion of the Mpongwe Farm row cropping capacity is advancing, with the inaugural 7,168 metric tonnes of wheat crop harvested in the financial year under review. This milestone is expected to bring about a substantial enhancement in production efficiency and capacity throughout the downstream food value chains. Concurrently, upgrades to the milling and processing facilities are also making significant progress.

During the year, we had the honour of hosting His Excellency Hakainde Hichilema, the President of the Republic of Zambia, who inspected some of our strategic projects in Mpongwe. These include the Cropping expansion, Hatchery expansion, and the new wheat mill. This event also marked the official launch of the 2023 Wheat harvest season.

The Economic Environment

Throughout the fiscal year, the local currency experienced notable volatility against the US Dollar, with fluctuations of up to 35%. This fluctuation was primarily driven by heightened demand for the USD, uncertainties surrounding debt restructuring, and a sustained increase in global interest rates, which affected offshore investor participation in local bond auctions. The ZMW/USD exchange rate commenced at K15.9 and concluded at K21.31, representing a 35% surge. Inflation, a critical economic indicator, concluded the financial year at 12%, as opposed to the previous year's 9.9%. This was attributed to the depreciation of the currency, along with escalating food and energy prices, despite the persistent implementation of a stringent monetary policy by the central bank.

Noteworthy was the resurgence in copper prices, which peaked at USD 8,230/MT, fuelled by China's copper consumption. However, subdued production levels continued to impede the realization of full value, consequently impacting the economy's foreign exchange earnings potential. These dynamic underscores the delicate balance between global market forces and domestic production capacities.

Outlook

The enduring stability of the economy hinges on the successful resolution of the government's debt restructuring negotiations. We foresee a positive trajectory for copper prices, a vital contributor to our foreign exchange earnings, fuelled by rising global demand, notably from China and the burgeoning electric vehicle market. The recently unveiled 2024 National budget has instilled optimism, as it signals an increase in government expenditure, anticipated to infuse much-needed liquidity into the economy. We are optimistic, that this will bolster consumer spending and subsequently drive economic growth.

Zambeef is strategically positioned to seize the opportunities ahead and demonstrates adaptability in the face of an otherwise challenging operating environment. This resilience and strategic foresight underscore our commitment to navigating through complexities and thriving in the ever-evolving economic landscape.

16 September 2024 will be the eighth anniversary of British International Investment plc's (BII) investment in the Company. After this date BII's conversion rights on their convertible redeemable preference shareholding ("Preference Shares") will increase materially, from currently one-for-one new ordinary share, to one for 3.0833 (recurring) new ordinary shares. BII is the Company's largest ordinary shareholder and also holds all Preference Shares. The Company has the right to redeem all or part of the Preference Shares at the redemption price, which would give BII a 12% compounded annual return on their investment, subject to a minimum of USD 0.77 per share (less dividends received). However, the likelihood of such a repayment by the Company in this new financial year, or in the medium term, is currently considered by the Board to be extremely unlikely. Further details of the Preference Shares are provided in note 21 to the financial statements.

Acknowledgement

Since my last report, we welcomed two additional Non-Executive Directors of the Board; Mr. Muyangwa Muyangwa and Dr. John Clifford Rich. Their respective appointments and subsequent announcements were on 21 April and 21 June 2023 respectively. We are confident that their extensive experience (as has been illustrated in their brief Curriculum vitae on page 31) will be instrumental in driving our business forward, in line with our strategic objectives.

I am indebted to my fellow Board members for their devoted leadership throughout the year and I convey my sincere appreciation to our diligent management and staff for yet another year of commendable performance. The steadfast tenacity and fortitude shown in the face of challenges is a testament to the team. I take great pride in our collective achievements thus far and I am eager for the promising opportunities that will shape our future progress. Together, we will continue to build upon this foundation of success.

Michael Mundashi
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

The Group achieved a revenue of ZMW 6.0 billion (USD 331.5 million), along with a gross profit of ZMW 1.8 billion (USD 101.1 million). This represents a year-on-year increase of 12.1% and 12.9% in kwacha terms, and 5.6% and 6.3% in US dollar terms, respectively.

Overview

During the financial year ending on September 30, 2023, Zambeef exhibited agility resulting in strong financial performance. Management continued to optimise top-line growth through effective revenue management while upholding stringent cost control measures, positioning the Group on the trajectory to actualize its short to medium-term strategy.

Our achievements stand as a testament to the talent within our organization and the enduring partnerships we've established with customers, suppliers, and the communities in which we operate. Reflecting on the past year, it is evident that our unwavering dedication to commercial objectives, along with our commitment to operational excellence and cost optimization, has not only spurred us forward but also solidified our position in some of the sectors in which we operate. This report offers a comprehensive overview of our performance, spotlighting significant milestones, financial performance, and ongoing initiatives aimed at sustaining growth and creating long-term value.

Financial Performance

Despite a challenging trading environment marked by constrained consumer spending and a tight monetary policy, the group achieved strong results for the year ending September 30, 2023. Escalating costs of vital inputs and commodities, including fuel, electricity, agricultural supplies, and grain, led to increased production costs for our livestock and cropping divisions. Nevertheless, the group demonstrated volume growth in most divisions, capitalizing on the momentum from the latter half of 2022. This was facilitated by a meticulous approach to revenue management and effective sales and operational execution.

The Group achieved a revenue of ZMW 6.0 billion (USD 331.5 million), along with a gross profit of ZMW 1.8 billion (USD 101.1 million). This represents a year-on-year increase of 12.1% and 12.9% in kwacha terms, and 5.6% and 6.3% in US dollar terms, respectively.

Additionally, the Group delivered an operating profit of ZMW 361.4 million (USD 19.8 million), a significant increase of 108.1% in kwacha terms (96.0% in US dollar terms) compared to the prior year's ZMW 173.7 million (USD 10.1 million). Although the prior year was impacted by a one-off impairment cost of ZMW 141.8 million, this growth underscores the effectiveness of our commercial strategy and the successful execution of the cropping expansion project.

The Group remains dedicated to fortifying its brand equity and providing customers with high-quality products. With our diversified and vertically integrated business

Chief Executive Officer's Review (continued)

model, robust brands, and effective management, we are well-equipped to seize future opportunities and navigate potential threats.

Strategic Focus

Our strategic focus remains to optimise our existing 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 investment in key strategic assets and divestiture of non-core assets will enable us to increase cash generation and profitability and therefore continue to deliver shareholder value. I am pleased to report that our $100 million medium-term expansion plans are proceeding as scheduled. We have maintained our dedication to enhancing capacity and efficiency in Cropping, Milling, Stockfeed, Dairy, and Poultry.

Our strategic focus in optimising costs and rationalising the Groups operations continued throughout the financial year. Managements proposal to restructure the Group was approved and an announcement was circulated to all shareholders in June 2023. The Company is expected to benefit from the restructuring as it will eliminate unnecessary complexities and duplications of its business processes across the six different entities, which have the same key decision-makers, processes, ownership and senior Executive team. I am particularly gratified that all the Executive positions have been filled, positioning the group for navigating forthcoming business growth with leadership team with the necessary ability to drive the Group's future success.

Outlook

Looking ahead, our strong brand presence will continue to be a cornerstone in maintaining customer loyalty. Additionally, our vertically integrated business model places us in a favourable position, ensuring a reliable supply chain and a market for our products. We anticipate a stabilisation in the economic environment once the process of debt restructuring concludes and there is an upswing in Copper production. With these factors in mind, the Group is poised to leverage the opportunities arising from a positive economic outlook, strategically investing for the future in anticipation of an upturn in consumer spending.

Our ongoing commitment to consolidating our balance sheet through the disposal of low returning assets, optimising existing assets and the expansion of capacity remains a central focus. These measures are geared towards enhancing shareholder value, a goal we remain dedicated to achieving. By fortifying our financial foundation and strengthening our operational capabilities, we are poised for sustained growth and prosperity in the years ahead.

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.

Retailing & Cold Chain Food Products

The year was marked with good sales volumes across all protein categories, despite operating within a competitive and financially constrained environment. Our ability to retain and increase volumes was driven by meticulous sales execution and price optimization, all of which had a direct impact on the overall revenue growth.

However, it's worth noting that despite achieving double-digit volume growth, the beef division reported a decline in gross profit, primarily attributed to expenses resulting from the outbreak of Contagious Bovine

Table 1: Divisional financial summary in ZMW'000

	Revenue		Gross Profit		Overheads		Operating Profit	
	2023	2022	2023	2022	2023	2022	2023	2022
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Retailing and Cold Chain Food Products	3,579,502	3,138,305	969,955	716,420	(744,469)	(628,683)	225,486	87,737
Cropping and Stockfeed	3,799,233	3,369,186	873,307	916,766	(412,240)	(467,870)	461,067	448,896
Total	**7,378,735**	**6,507,491**	**1,843,262**	**1,633,186**	**(1,156,709)**	**(1,096,553)**	**686,553**	**536,633**
Less: Intra/Inter Group Sales	(1,332,578)	(1,112,730)	-	-	-	-	-	-
Central Overhead	-	-	-	-	(241,056)	(246,992)	(241,056)	(246,992)
Foreign exchange (losses)/gain	-	-	-	-	(84,140)	25,808	(84,140)	25,808
Impairment of goodwill	-	-	-	-	-	(141,786)	-	(141,786)
Group Total	**6,046,157**	**5,394,761**	**1,843,262**	**1,633,186**	**(1,481,905)**	**(1,459,523)**	**361,357**	**173,663**

Chief Executive Officer’s Review (continued)

Table 2: Divisional financial summary in USD’000

	Revenue		Gross Profit		Overheads		Operating Profit	
	2023	2022	2023	2022	2023	2022	2023	2022
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Retailing and Cold Chain Food Products	196,245	182,672	53,177	41,701	(40,815)	(36,594)	12,362	5,107.00
Cropping and Stockfeed	208,291	196,111	47,879	53,362	(22,601)	(27,233)	25,278	26,129.00
Total	**404,536**	**378,783**	**101,056**	**95,063**	**(63,416)**	**(63,827)**	**37,640**	**31,236**
Less: Intra/Inter Group Sales	(73,058)	(64,769)	-	-	-	-	-	-
Central Overhead	-	-	-	-	(13,216)	(14,377)	(13,216)	(14,377)
Foreign exchange losses	-	-	-	-	(4,613)	1,502	(4,613)	1,502
Impairment of goodwill	-	-	-	-	0	(8,253)	0	(8,253)
Group Total	**331,478**	**314,014**	**101,056**	**95,063**	**(81,245)**	**(84,955)**	**19,811**	**10,108**

Pleuropneumonia (CBPP), a disease affecting cattle, whose effect continued from the previous financial year into the current one. In addition, rising input costs, specifically the high price of buying animals and increased feeding costs, put pressure on profitability.

In the first half of the year, there was a sluggish demand for chicken, which picked up in the latter half. This was largely due to other protein categories becoming relatively more expensive. This shift in consumer preference helped bolster sales of both feed and Day-old chicks, contributing to the division's overall performance and demonstrating the dynamic consumer behaviour and the importance of adapting to market trends.

The Dairy segment’s revenue realisation was on the back of strong volume growth and is well positioned to capitalise on further growth opportunities in the coming periods.

Despite the challenges, the division experienced a moderate growth of 1.4% growth in gross profit in USD terms and 7.7% in Kwacha terms over the prior year. This growth can be attributed to effective pricing strategies, operational efficiency improvements, and a favourable product mix.

The Retailing and Cold Chain Food Production segment is well poised to build upon these achievements and continue its trajectory of growth and profitability in the upcoming fiscal year. Through strategic initiatives and a customer-centric approach, we aim to further strengthen our position in the market.

Cropping and Milling

The Cropping segment delivered a notable revenue performance, achieving a growth of 17.7% in Kwacha (10.9% in USD) compared to the previous year. However, operating profit ended with a significant reduction, primarily attributed to lower prices and yields in the summer soya bean crop which was further compounded by the escalating costs of critical inputs such as fertilizer and fuel.

In the Stockfeed segment, there was an increase in demand during the latter half of the year which translated into revenue and volume maximization, ultimately contributing to profitability. The positive performance underscores our capability to adapt to changing market dynamics and meet customer needs effectively.

The Flour segment experienced double-digit growth in volumes attributed to the implementation of good sales strategies and the introduction of new product lines. This performance highlights our commitment to innovation and our ability to execute sales initiatives effectively, thereby driving growth in this segment.

Acknowledgements

I would like to extend my gratitude to our Board of Directors for their guidance and support. I am also indebted, to all our dedicated staff and partners, for their invaluable contributions to the ongoing success of the Group.

I eagerly anticipate what we will achieve in the coming year as we continue to implement and execute our growth strategy.

Faith Mukutu
Chief Executive Officer


SUSTAINABILITY REPORT

SUSTAINABILITY REPORT

(1) STRATEGY

Sustainability is a critical enabler of our strategic plan; it is a way of doing business and something that key stakeholders, increasingly, expect of us. We are aware of the need to continue to strengthen the foundation for sustainable production. This involves investing in People, Processes and Plant and using the Environmental, Social and Governance (ESG) strategy as a guiding framework.

During the year under review, Mpongwe, Chisamba Huntley and Kalundu Dairy farms received, significant, capital expenditure investment. At Mpongwe, the sustainable conversion of dry, rain-fed land into irrigated-land saw an addition of 1,100 hectares to the growing of winter crop and contributed to the increased production tonnage for the 2023 wheat harvest. The construction of the state-of-the-art Wheat flour mill progressed well and was on course for completion in the next financial year. Chisamba Huntley farm received investment on the Poultry section with the construction of Environmentally Controlled Houses (ECH) and whilst the Kalundu Dairy farm saw the construction of new Cow Barns. Due to improved animal welfare this investment yielded in improved productivity for the Poultry and Dairy divisions. On the Food Safety side, 100% of our Processing Plants were ISO 22000: 2018 certified and provided, further, evidence of sound food safety environment.

The focus of our vertical integration determine our ability to positively impact our communities. We are aware that through *Global Good Agricultural Practices (Global GAP)* and efficient value addition, the challenges of food security, climate change, and biodiversity loss can be mitigated or minimized. We collaborate with all key stakeholders who include customers, farmers, communities, shareholders, employees and development finance institutions.

We are committed to upholding the principles enshrined in the International Finance Corporation (IFC) Performance Standards and World Bank Group Environmental, Health, and Safety Guidelines on environmental and social sustainability. This commitment is, further, demonstrated in our ESG Strategic Plan.

(2) SUSTAINABLE DEVELOPMENT GOALS

Our capacity to create impact in our communities is mapped against the United Nations (UN) Sustainable Development Goals (SDGs) and stakeholder priorities. Our Sustainability framework helps to transform our strategy into practice and enables us to understand and mitigate our environmental footprint, improve the livelihoods of suppliers, farmers and communities through initiatives that enhance productivity and partnership.

Category	Comments	SDGs	Zambeef - ESG
PEOPLE	End Poverty and Hunger. Ensure dignity, equality, health & Safety.	01 NO POVERTY; 02 ZERO HUNGER; 03 GOOD HEALTH AND WELL-BEING; 04 QUALITY EDUCATION; 05 GENDER EQUALITY; 06 CLEAN WATER AND SANITATION	**Social** – MSME Farmers average spend / year ZMW 1.5 bn, Feeding program, Decent Staff housing, Education, Health & Safety, Water security
PROSPERITY	Prosperous & fulfilling lives in harmony with nature	07 AFFORDABLE AND CLEAN ENERGY; 08 DECENT WORK AND ECONOMIC GROWTH; 09 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES	**Economic** – 1% GDP contribution, Indirect & Direct jobs of above 250,000, Community schools, new capacity Investment USD $100 million (June 2022 launched)
PLANET	Protect planet, natural resources and climate	11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND	**Environment** – GHG initiatives, no charcoal usage in Poultry, Organic farming & Water security scaled up.
PARTNERSHIP	Global / Local Partnership & Inclusivity. Promoting Governance.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS	**Governance / Partnership** – DFI's, Communities, Key stakeholders' involvement. **Inclusivity** – strong Community involvement, Employee Union representation, Statutory compliance

SUSTAINABILITY REPORT (continued)

(3) ENVIRONMENTAL, HEALTH & SAFETY

We remain committed to driving best practice in the area of Environmental, Health, Social and Safety functions of the business. Hence, we prioritized regulatory compliance and strengthened our approach towards developing Food Safety Management Systems and doing so through interventions such as the Global GAP and in conjunction with the IFC.

During the year we complied with all the necessary Environmental Impact Assessments as required by the Zambia Environmental Management Agency (ZEMA) and obtained 100% approval rate.

We, further, continued with proactive stakeholder engagement, with Regulators & Chiefdoms, to identify potential risks. We outline, below, some of the key initiatives undertaken in the year.

(3.1) GHG Emissions & Removal – ISO 14064: 2018 (Quantification & Reporting)

In compliance with the ZEMA directive to phase out substances with high ozone-depleting potential, the business commenced to replace old refrigeration units with high carbon footprint.

Further, we are delighted to mention that we have been working on climate change risk modelling, as well as Green house Gases (GHG) measurement and reductions, in order to reduce emissions in our own operations and supply chain. With the help of the IFC, we created a customized GHG assessment tool, which allowed us to aggregate data from multiple sources across the group and identify gaps in carbon measurement accuracy.

The GHG Assessment Tool that was developed was used to estimate a carbon footprint for Zambeef's operations from 2020 to 2023. Though we have been measuring Scope 1, 2 and 3; however, for this years' reporting purposes, we will highlight the emissions under Scope 1 and for which we are directly responsible.

Emission category	FY20	FY21	FY22	FY23
Scope 1 (Direct emissions)	552 107 tCO_2e	571 517 tCO_2e	437 915 tCO_2e	354 127 tCO_2e

Overall, Scope 1 emissions reduction of 36% from 2020 to 2023. This is on account of a shift from using charcoal for Poultry rearing to using ECH, closing of the Nkumba Piggery, discontinuation of the chicken layer business, reduced number of Beef Cattle maintained in 2022 and reduction in the usage of diesel-powered generators in the, earlier, part of 2023.

(3.2) Circular Economy - Sustainable Farming

A sustainable agricultural system is one that makes good use of renewable and/or recyclable resources and leverages the benefits of circular economy. We recognize that sustainable farming not only conserves soils, but also allows us to increase productivity per hectare, lowering our overall footprint per ton of food produced. To reduce tillage and soil compaction, we use innovative farming methods such as advanced agricultural equipment.

We have also begun supplementing artificial fertilizer with compost manure made internally from animal and organic waste generated by our various divisions. Compost manure application has been shown to improve soil yields and quality. Our goal is to use compost to replace 50% of the artificial fertilizer used each year.

(3.3) Water

We want to save water while increasing yields and productivity. Water is Life and it is essential to agriculture and food production. Freshwater (surface and groundwater) management is critical to our operations and supply chains, as well as the communities and environments in which we operate. We monitor and manage water use in these upstream operations and are developing resource management plans for all of our priority supply value chains. We strive to optimize our water use, reduce wastewater volume and content, and protect water courses within our processing operations. The cropping division's center pivot irrigation system allows us to apply water precisely where it is needed on the farm. This reduces the possibility of runoffs and flooding.

SUSTAINABILITY REPORT (continued)

(3.4) Animal Health and Welfare

We continued to focus in investing in improving the animal health and welfare of livestock. In the poultry division the business made, significant, headway in constructing ECH for the chickens. One of the major improvements has been the moving away from using charcoal to cleaner energy and implementing sound housekeeping standards. This change has resulted in over 20% improvement in production efficiencies compared to prior year.

The business continued to implement programs that sought to achieve optimal health and well-being outcomes, recognizing the interconnectedness between people, the livestock we rear and process, the crops we cultivate and the shared environment in which all our activities are performed. Herd health plans have been developed and implemented in livestock-rearing facilities

(3.5) Food Security & Safety

Food Security is at the core of Zambeef commitment to serving the community with safe and nutritious food products. The Group procured, from small scale farmers, over 170,000 metric tons of grain (maize and soyabeans) and produced just under 100,000 metric tons of grain (wheat, maize and soyabeans), in the financial year under review.

In the area of Food Safety, the business continued to strengthen the implementation of Management Systems across the operations. This approach led to the roll-out of a robust Systems-based approach within the organization's operations.

To this effect, the company implemented a Food Safety Management System (FSMS) based on ISO 22000: 2018 in all the food operations, and this resulted in 100% of Plants being certified as ISO 22000 compliant by the end of financial year 2023.

The Plants included *Masterpork, Zamchick Poultry processing, Zammilk dairy processing, Novatek Lusaka operation, Abattoir & Beef processing, Flour Mill and Mpongwe Stockfeed Mill.*

(4) SOCIAL – ECONOMIC CONTRIBUTION

(4.1) Economic Contribution

As noted, earlier, the Group continued to source the bulk of its raw materials from Micro Small Medium Enterprises (MSMEs) in the rural communities of Zambia. 100% of the beef and pork processed by the business were sourced from third-party farmers.

Out-growers are a major supply base of the broiler chickens processed by Zamchick and with the small-scale farmers of maize and soya beans supplying Novatek Animal Feeds with the needed input raw material for stockfeed production.

In the period under review, the Group empowered, close to, 100,000 small-scale farmers who supplied livestock, grain and served as Zamhatch sales agents and shop owners. Novatek, the Stockfeed Division, procured 210,000 tons of Maize and Soyabeans in 2023 compared to 200,000 tons in 2022 and most of which was supplied by small-scale farmers.

Zambeef paid ZMW 416 million of taxes in 2023 (2022: ZMW 295 million) to the Zambia Revenue Authority (ZRA).

In the year under review, the Group recorded foreign exchange export income of over USD$ 5 million, while total Group USD-equivalent revenues were above USD 300 million.

Total Non-current assets grew by USD $ 30 million (20%), from USD $ 150 million (2022) to over USD $180 million (2023). This increase is indicative of the capacity expansion investments in the business and with, significant, allocation going to Mpongwe farms. At the center of this investment is to ensure sustainable production is embedded in the Group and with the end result of improving productivity and efficiencies.

Zambeef contributes to, slightly, over 1% to the Gross Domestic Production (GDP) of the country.

(4.2) Social Contribution

Zambeef continued to align its social investments to the United Nations Sustainable Development Goals (UN SDGs). The 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'.

SUSTAINABILITY REPORT (continued)

We outline, below, some of the key community social responsibility programs initiated:

Novatek – Stockfeed Division: undertook a total of 26 community engagement programs in the financial year 2023 (FY23) compared to 22 in the previous year. The engagements included training of small-scale farmers, workshop, product exhibition and information days.

Masterpork Division – maintained 862 small scale pig suppliers of which 17% were female suppliers and 83% male. A total of 85 farms were visited during FY23. Of the farms visited, each had an average of 150 to 800 animals, the semi-intensive pig keeping system was the most practiced system at these farms. All the farms practiced the *farrow-to-finish operations*. The services offered by the business included veterinary care, vaccination, and disease control programs and linkage to commercial farms.

Zamchick and Kalundu Dairy - maintained out-grower programs and engaged with farmers.

Customer Complaints – We continued to engage and respond with our consumers and customers through the Zambeef dedicated customer phone line via voice calls, text messages and Whatsapp, email service and facebook platforms.

Resettlement of Community Encroaching on land – Stakeholders were engaged on a regular basis, and at every time developmental projects were initiated at Group sites. The Group complied with the guidelines of the IFC Performance Standard number 1: *Land Acquisition and Involuntary Resettlement*, in all land acquisition matters and IFC Performance Standard *number 8: Culture Heritage*, which allows us to preserve and grant unhindered community access to all properties and sites of archaeological, historical, cultural, artistic and religious significance.

Employment - Zambeef continues to be one of the largest employers in the country, with about 7,000 employees, 14 % of whom are female (2022: 13%). Overall increase in 1% is demonstrative of efforts put in place to recruit more of deserving female employees and thereby promote Gender Diversity. There are more women employees in the non-unionized category at 16% and male workers 84%. Overall direct and indirect employment is in excess of 250,000.

Training and Development

The Group is fully committed to developing and training its employees at all levels. During the year the business continued to offer specific trainings and revisiting competences in food safety, occupational health and safety, safe handling of hazardous materials, quantifying

SUSTAINABILITY REPORT (continued)

and reporting greenhouse gas emissions were offered to employees. The Group's continued reinvestment in human resources and a deliberate focus on diversity and inclusion has resulted in many senior positions being held by Zambians and females. Over 99% of employees are Zambian.

(4.3) Education, Health and Feeding Program

The company supports education in Mpongwe, Chisamba, Chiawa and Chongwe.

For example, the Nampamba Primary School was constructed by the company and offers classes from Grade 1 to 7 with close to 500 pupils. The majority of the pupils are girls. The company has recruited 17 teachers, at the school, and with housing units located in walking-distance to the school. In Chisamba, the school was built by the business and has continued to provide the education needs of the community.

In health, Zambeef supports with the provision of both onsite and offsite clinic health facilities for its members of staff and community.

These Group activities aligned 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.

The Group continues to render support to the vulnerable through donation of foodstuffs to hospices, hospital, ophanages and care homes. There are currently 22 institutions hosting vulnerable people which the Group supports through the food supply program. This gesture by the Group aligns strongly with UN SDG 2, whose main aspiration is to 'end hunger, achieve food security and improved nutrition'.

In the last 7 years the company allocated USD $1.75 million in the area of Community support programs. Of this, USD $900,000 was targeted towards Feeding Program for orphanages and similar institutions and about USD $800,000 was allocated to supporting Community Education, Health and Culture & Heritage and Traditional ceremonies.

(5) GOVERNANCE

Attainment of a long-term sustainable production plan requires functioning environmental, social, economic and governance practices. The company, therefore, strives for continuous improvement in these areas.

Corporate Governance at Zambeef Products Plc is fundamental in guiding the manner in which the business is directed and controlled.

The Board of Directors provides oversight through its Environmental & Social Committee. Through this committee the Board provides strategic advice and guidance regarding systemic and strategic environmental and social matters. The committee ensures that the Group has adequate and robust systems in place for monitoring the environmental, health & safety, and social management & performance, in accordance with applicable legislation and good international industry best practice.

In order to ensure effective implementation of the Board's strategic objectives, a decision was made to strengthen Management structure at the Executive Committee level and this saw the creation of new roles and subsequent appointment of staff.

All this was done to, further, embed Sustainable Development within the business and ensure that productivity and efficiencies were realized and ultimately create an environment of shared value for all key stakeholders.

The clear distinction of roles between the Management and Board and the sub-committees is fundamental. The Board charter and other related policies and procedures serve to provide visibility on the route to take in strategic and operation decision-making.

CORPORATE GOVERNANCE STATEMENT

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.

Zambeef Products Plc ("Zambeef" or the "Company") recognises that achieving a long-term sustainable business depends on stable, well-functioning and well-governed environmental, social, economic and governance practices. Therefore, the Company strives for continual development in these areas.

Zambeef 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.

Through its Board of Directors, the Company has put together its basic framework on Corporate Governance. It 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 must comply with LuSE and UK specific Corporate Governance codes. For the purposes of being quoted on AIM, the Company has agreed to maintain standards of corporate governance recommended by AIM. In this regard, the Company has adopted the QCA Code as the basis of its corporate governance standards.

On LuSE, Zambeef 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 regulations recognised codes of good practice.

This report, together with other relevant information contained herein together with the financial statements that form part of the Annual Report for the year, therefore, aims to provide an overview of the Company's governance practices.

CORPORATE GOVERNANCE IN ACTION

The Company's corporate governance practices are put together in the Corporate Governance Handbook which is subject to review by the Board from time to time. 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

CORPORATE GOVERNANCE STATEMENT (continued)

- 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 balancing the requisite business acumen and skills pertinent to the business. At the start of the financial year, the board comprised seven Directors, this increased to nine within the year, a number that is required per its Articles of Association. Of the nine Directors, seven are Non-Executive Directors, and two are Executive Directors. Five of the seven 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 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's 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 operate 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;

CORPORATE GOVERNANCE STATEMENT (continued)

The Board Composition

Director	Title	Date of Appointment
Michael Mundashi	Chairman	05/09/2019
Faith Mukutu	Executive Director (CEO)	05/09/2019
M'boo Mumba	Executive Director (CFO)	01/12/2022
Jonathan Kirby	Independent Non-Executive Director	04/08/2017
Monica Musonda	Independent Non-Executive Director	01/03/2021
Roman Frenkel	Non-Executive Director	10/03/2021
Pearson Gowero	Independent Non-Executive Director	10/03/2021
Muyangwa Muyangwa	Independent Non-Executive Director	21/04/2023
Dr John Rich	Non-Executive Director	21/06/2023

As of the date of the report, the Board was comprised of the Chairman (Independent Non-Executive Director), and seven Non-Executive Directors, five of whom, together with the Chairman, 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. The brief curricula vitae of the directors appear on pages 31 – 33 of this report.

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

MEETINGS OF THE BOARD

The Board has four regular meetings each year and the company's Articles of Association make 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 the table below;

DIRECTORS' NAME	BOARD MEETING (22/11/2022)	BOARD MEETING (22/02/2023)	BOARD MEETING (21/06/2023)	BOARD MEETING (20/09/2023)	TOTAL MEETINGS ATTENDED	TOTAL MEETINGS HELD
M Mundashi	✓	✓	✓	✓	4	4
F Mukutu	✓	✓	✓	✓	4	4
R Frenkel	✓	✓	✓	✓	4	4
P Gowero	✓	✓	✓	✓	4	4
J Kirby	✓	✓	✓	✓	4	4
M Mumba	✓	✓	✓	✓	4	4
M Musonda	✓	✓	✓	✓	4	4
M Muyangwa	BA	BA	✓	X	1	4
J Rich	BA	BA	✓	✓	2	4
W Roodt	✓	RS	RS	RS	1	4

Key

✓ Attended **X** Absent **BA** Before Appointment **RS** Resigned

CORPORATE GOVERNANCE STATEMENT (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 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.

The committee is chaired by an independent non-executive director. The membership in the financial year is as hereunder:

Chairman: Jonathan Kirby

Members: Roman Frenkel, Pearson Gowero and Hastings Mtine*. The Executive Directors (CEO and CFO) have standing invitations to all the committee meetings.

In the year under review, the Committee achieved this among other key responsibilities outlined below:

- Ensured that a sound risk management and internal control system was maintained and reviewed the systems for monitoring compliance with applicable laws and regulations.
- Gave due consideration to and reviewed corporate governance matters in accordance with relevant frameworks including the LuSE Corporate Governance Code and the QCA Code.
- Monitored and reviewed 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.
- Monitored and reviewed the reports of the external auditors and their performance.
- Met with the External Auditors without management to discuss matters in relation with the Company in line with good practice and as outlined in the Charter.
- Continue to monitor the ethical conduct of the Company, its executives and senior officials

The committee is tasked with the responsibility of considering and making 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.

The Committee continues to be assisted by an independent advisor and co-opted member; Hastings Mtine who was appointed by the Board 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.

CORPORATE GOVERNANCE STATEMENT (continued)

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	21/11/2022	21/02/2023	15/06/2023	19/09/2023
Jonathan Kirby	Chair: INED	✔	✔	✔	✔
Roman Frenkel	NED	✔	✔	✔	✔
Pearson Gowero	INED	✔	✔	✔	✔
Hastings Mtine*	Committee Member	✔	✔	✔	✔

Key

✔ *Attendance*

RS *Resigned*

* *Mr Hastings Mtine is an independent advisor of the committee by virtue of which he attends all meetings as a co-opted member.*

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 quality required. The committee is chaired by an independent non-executive director.

In the year under review, the Board resolved that the committee meets twice yearly, having completed the tasks assigned, putting in place policies, key human resources and recommended for appointment skilled Board members.

The membership in the financial year is as hereunder:

Chairman: Monica Musonda

Members: Roman Frenkel, Jonathan Kirby, Muyangwa Muyangwa, and Felicity Preacher** an observer.

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's 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.

CORPORATE GOVERNANCE STATEMENT (continued)

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	21/11/2022	21/02/2023
Monica Musonda	Chair: INED	✔	✔
Roman Frenkel	NED	**BA**	**BA**
Jonathan Kirby	INED	✔	✔
Muyangwa Muyangwa	INED	**BA**	**BA**
Felicity Preacher**	Observer	✔	✔

Key

✔ *Attendance*

BA *Before Appointment*

** *Pursuant to the Shareholder Agreement with BII, an observer is permitted to attend meetings and participate in deliberations but may not vote*

3. Environmental and Social Committee

The Committee provides 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. The committee is chaired by an independent non-executive director. The membership in the financial year is as hereunder:

Chairman: Pearson Gowero

Members: Monica Musonda, Muyangwa , Muyangwa and Dr John Rich.

Responsibilities:

- 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.
- 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.

Committee Meeting Attendance Schedule

NAME	CATEGORY DIRECTOR	21/11/2022	21/02/2023	15/06/2023	19/09/2023
Pearson Gowero	**Chair: INED**	✔	✔	✔	✔
Roman Frenkel	**NED**	✔	✔	✔	**RA**
Muyangwa Muyangwa	**INED**	**BA**	**BA**	**A**	**A**
Monica Musonda	**INED**	✔	✔	✔	✔
John Rich	**INED**	**BA**	**BA**	✔	✔

Key

✔ *Attendance*
RS *Resigned*
RA *Reassigned to another committee*
A *Absent*

CORPORATE GOVERNANCE STATEMENT (continued)

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. This is in accordance with Section 206 (5) of the Companies Act.

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. The Chairman provides individual feedback to all the members and collectively to the Board.

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.

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 the 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.

CORPORATE GOVERNANCE STATEMENT (continued)

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 networks,
- 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 Stock 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 Chief Executive Officer (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 has maintained 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.

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 PricewaterhouseCoopers (PwC).

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 STATEMENT (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 the 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 WITH 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 British International Investment (BII), 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.

CORPORATE GOVERNANCE STATEMENT (continued)

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-quoted 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 considered a related party. Such transactions are evaluated as to whether the parties are treated fairly and market conditions. For recurrent transactions carried out with clients during the Group's 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 market, the LuSE and SEC rules and also prepares a detailed narrative statement to accompany the results. Company results are disseminated widely through the LSE, LuSE, newswires and our distribution lists.

CORPORATE GOVERNANCE STATEMENT (continued)

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	4	1	4	–	–	20	80	–	-
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	–	-	–	100	–	-
Company Secretary	4	4	–	4	–	-	–	1000	–	-
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	–	
	100	100	1	99	0	0	0	100	-	-

Summary of areas that are not fully compliant or inapplicable

Areas not applicable

i. If the role of the Chairperson and CEO are performed by the same person;

a. The Board must have an independent director as deputy chairperson

There must be a complement of independent directors sufficiently involved in the annual evaluation of the chairperson’s performance

Board of Directors

Michael Mundashi (age 65)

Chairman

Non-Executive Director

Nationality: Zambian

Qualifications

Bachelor of Laws Degree (University of Zambia); Post Graduate Certificate qualification from the Zambia Institute of Advanced Legal Education.

Experience

Over 30 years post qualification experience in Dispute Resolution and commercial litigation, pensions and Tax advisory services; in both the public and private sectors. Previously served as Chairman of Sanlam Life Assurance Zambia Limited, Non-Executive Chairman of Standard Chartered Bank Zambia Plc and British American Tobacco Plc and has also served on boards of various pension funds trusts

External appointments Currently serving as Director of Nico General Insurance and Chairman of Lusaka Trust Hospital.

Faith Mukutu (age 43)

Executive Director: Chief Executive 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 of experience in senior finance positions of major corporates, including Zambia Sugar Plc and Zambian Breweries (part of SABMiller Group)

External appointments Current directorships include, Greater Kafue Landscape Limited, Good Nature Agro and Zayohub Zambia Ltd

Mboo Mumba (age 44)

Executive Director: Chief Financial Officer

Nationality: Zambian

Qualifications

Bachelor of Accountancy Degree from the Copperbelt University in Zambia and a Chartered Accountant under Association of Chartered Certified Accountants (ACCA) of the UK, where he is a Fellow. A Fellow member of the Zambia Institute of Chartered Accountants.

Experience

Over 15 years combined experience in senior positions in Finance, Treasury Management and Banking.

External appointments

Current directorships include St. Ignatius College and The Society of Jesus Southern Africa Treasury Committee

Katebe Monica Musonda (48)
Non-Executive Director

Nationality: Zambian

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

Experience
Over 16 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 Director Taifa Marimba, Mixta Nigeria, Dangote Cement Zambia; Founder & CEO Java Foods

Board of Directors (continued)

Roman Frenkel (age 43)

Non-Executive Director

Nationality: British

Qualifications

Durham University MEng Mechanical Engineering;

ACA (ICAEW)

Experience

Over 13 years of 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, Head of Food and Agriculture Equity at British International Investment PLC in London.

Pearson Gowero (age 65)

Non-Executive Director

Nationality: Zimbabwe

Qualifications

BSc (Economics) Hons (University of Zimbabwe)

MBL (University of South Africa)

Experience

40 years of experience in business management including Retail and Fast-Moving Consumer Goods. He served in various senior executive roles as well as Chief Executive Officer of two listed companies.

External appointments

Has previously served as a Director on several boards and is currently a Director of both SeedCo Zimbabwe Limited, SeedCo International Limited, NMBZ Holdings and Markbury Investments Private Limited. He has in-depth knowledge of Zambian and Zimbabwean Industries.

Jonathan Kirby (age 62)

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 32 years of 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 boards of MIRO Forestry Products Ltd, Prime Financial Services Group, Cavalier Food (Pty) Ltd, South Africa and McWade Productions (Pty) Ltd, South Africa.

Muyangwa Muyangwa (58 age)

Non-Executive Director

Nationality: Zambian

Qualifications

Master's Degree in Business Administration from the University of Bath in the United Kingdom and Bachelor's Degree in Business Administration from the Copperbelt University, Zambia.

Experience

Over 30 years of experience in in the financial and fiscal sectors.

External appointments

Currently the Director General of the National Pension Scheme Authority -Zambia, Non-Executive Director of ZCCM Investments Holdings Plc and M & N Capital Limited. Previously served in various positions at the International Monetary Fund (IMF), including as a Senior Economist at the IMF – Headquarters, Washington DC, and as Technical Assistance Advisor and Revenue Administration Advisor in East Africa and West Africa, respectively. Before joining the IMF, he worked for Zambia Revenue Authority. where he held the roles of Commissioner Value Added Tax and Commissioner, Customs Services.

John Rich (age 71)

Non-Executive Director

Nationality: Australian

Qualifications

Bachelor of Science Degree with Honours in Pathology and a Bachelor of Science Degree with Honours in Veterinary Science from the University of Sidney and numerous other diplomas and certificates within the agriculture, ruminant nutrition, production and meat export industry. Post Graduate Foundation in Veterinary Science and Postgraduate training in financial management, modelling and financial analysis.

Experience

Over 40 years of experience in Corporate Agribusiness, development banking, mergers and acquisitions.

He previously, served in various positions in the agricultural production and business management/banking space under many reputable and international organisations including the IFC, European Bank for Reconstruction and Development (EBRD) and Commonwealth Development Corporation (CDC – now BII) among others.

External appointments

Currently Executive Chairman, of MHP SE – (MHPC) since 2017, an Independent Non-Executive Director, of Zalar Morocco, 2014 – current (Poultry & Grain Trading), AANC Pty Ltd (Australia) and Teralett Pty Ltd (Australia).

Directors Report

For the year ended 30 September 2023

The Directors submit their report together with the audited annual financial statements for the year ended 30 September 2023, which disclose the state of affairs and performance of Zambeef Products PLC (the "Company") and its subsidiaries (together, "the Group").

Principal activities

The principal activities of the Group are the production, processing, distribution and retailing of beef, chicken, pork, milk, dairy products, eggs, edible oils, stockfeed and flour. The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 14,530 Hectares of row crops under irrigation and 7,924 Hectares of rain-fed/dry-land crops available for planting each year. The Group also has retailing operations in Nigeria and Ghana.

There has been no significant changes in the Group's business during the year.

Share capital and beneficial owner(s)

The authorised share capital of the Company remained unchanged at 700,000,000 ordinary shares of K0.01. each. The issued and fully paid-up share capital remained at 300,579,630 ordinary shares of K0.01 each.

The Group's notable shareholding and beneficial ownership is represented as follows:

Name of shareholder	Number of shares	% of shareholding
British International Investment Plc	52,601,435	17.5%
Africa Life	40,005,567	13.3%
First Equity	25,487,323	8.5%
National Pension Scheme Authority (Zambia)	24,797,818	8.2%
Krohne Capital	18,979,405	6.3%
SBM Securities	15,925,191	5.3%
Sussex Trust	14,000,000	4.7%
Eastspring Investment	11,995,062	4.0%
Rhodora	8,639,374	2.9%

British International Investment Plc (BII) 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 BII having 34.8% of the voting rights.

Results and dividend

The Group profit for the year of K120.2 million (2022: K31.6 million) has been added to retained earnings. The Directors have not declared a dividend nor have any dividends been paid during the year. (2022: Nil)

Directors Report (continued)

For the year ended 30 September 2023

Directors and remuneration

The Directors who held office during the year and to the date of this report were:

Name	Position	
Michael Mundashi SC	Chairman	-
Faith Mukutu	Executive Director	-
Mboo Mumba	Executive Director	Appointed 1st December 2022
Jonathan Kirby	Non-Executive Director	-
Katebe Monica Musonda	Non-Executive Director	-
Pearson Gowero	Non-Executive Director	-
Roman Frenkel	Non-Executive Director	-
Muyangwa Muyangwa	Non-Executive Director	Appointed 21st April 2023
John Clifford Rich	Non-Executive Director	Appointed 21st June 2023
Walter Roodt	Executive Director	Resigned 2nd December 2022

During the year, the total Directors remuneration for services rendered by Executive Directors and Non-Executive Directors were as follows:

Name	Position	2023	2022
		K'000	K'000
Walter Roodt	Executive Director	839	5,033
Faith Mukutu	Executive Director	8,215	5,348
Mboo Mumba	Executive Director	4,149	-
		13,203	10,381
Michael Mundashi SC	Non-Executive Director	989	920
Jonathan Kirby	Non-Executive Director	624	580
Yollard Kachinda	Non-Executive Director	-	260
Katebe Monica Musonda	Non-Executive Director	624	580
Pearson Gowero	Non-Executive Director	624	580
Muyangwa Muyangwa	Non-Executive Director	220	-
John Clifford Rich	Non-Executive Director	126	-
		3,205	3,267
Total		16,408	13,648

Interests register information

During the year, the Group officers (a Director, Company Secretary or Executive Officer of a Company) made declarations of interest in Company transactions and business as follows:

	2023- shares		2022- shares	
Name of Director	Direct	Indirect	Direct	Indirect
Katebe Monica Musonda	-	555	-	555
	-	555	-	555

The interests' register, as required by the Companies Act, 2017 of Zambia, containing particulars of the above stated interests declared, is available for inspection at the Group's registered office.

Directors report (continued)

For the year ended 30 September 2023

Average number of employees and remuneration

The total remuneration of employees during the year amounted to 718.2 million (2022: K667.9 million) and the average number of employees were as follows:

Month	Average Number
October	7,700
November	7,406
December	7,848
January	8,040
February	8,376
March	8,287

Month	Average Number
April	8,190
May	8,263
June	8,252
July	8,714
August	8,498
September	8,271

The Group has policies and procedures to safeguard the occupational health, safety, and welfare of its employees.

Gifts and donations

During the year, the Group made donations of K3.6 million (2022: K2.0 million) to charitable organisations and events.

Research and development

The Group did not incur any costs on research and development during the year (2022: Nil).

Exports

During the year, the Group exported K75.8 million worth of goods from Zambia (2022: K26.4 million).

Property, plant and equipment

During the year, the Group purchased property, plant and equipment amounting to K817.3 million

(2022: K222.1 million). In the opinion of the Directors, the carrying value of property, plant and equipment is not more than their recoverable value.

Group Auditor and remuneration

The Auditor, PricewaterhouseCoopers Zambia, has indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the next annual general meeting.

The Auditor remuneration for the audit related to the financial year ended 30 September 2023 was K4.1 million (2022: K3.3 million).

Signed on behalf of the Board of Directors,

____

Michael Mundashi SC
Director

____

Faith Mukutu
Director

Date: 7 December 2023

Statement of Director's Possibilities

The Companies Act, 2017 of Zambia requires the Directors to prepare annual financial statements for each financial year that give a true and fair view of the state of affairs of the Group as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group. They are also responsible for safeguarding the assets of the Group. The Directors are further required to ensure the Group adheres to the corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, 2017 of Zambia.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of annual financial statements, and for such internal controls as the Directors determine necessary to enable the preparation of annual financial statements that are free from material misstatement whether due to fraud or error.

The Directors are of the opinion that the annual financial statements set out on pages 44 to 115 give a true and fair view of the state of the financial affairs of the Group and of its financial performance in accordance with IFRS as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia. The Directors further report that they have implemented and further adhered to the corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia.

Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for at least twelve months from the date of these annual financial statements.

Signed on behalf of the Board of Directors

_____________________ _______________________

Michael Mundashi SC
Chairman

Faith Mukutu
Chief Executive Officer

Date: 7 December 2023

Independent auditor's report (continued)

Report on the audit of the Group and Company annual financial statements

Our opinion

In our opinion, the Group and Company annual financial statements give a true and fair view of Group and Company financial position of Zambeef Products PLC (the "Company") and its subsidiaries (together the "Group") as at 30 September 2023, and of the Group and Company financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, 2017 of Zambia and the Securities Act, 2016 of Zambia.

What we have audited

Zambeef Products PLC's Group and Company annual financial statements are set out on pages 44 to 115 and comprise:

- the Group and Company statements of financial position as at 30 September 2023;
- the Group and Company statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Company statements of changes in equity for the year then ended;
- the Group and Company statements of cash flows for the year then ended; and

  the notes to the Group and Company annual financial statements, including a summary of significant accounting policies.

Basis for opinion

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

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

Independence

We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Independent auditor's report (continued)

Key audit matter

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

Key audit matter	How our audit addressed the Key audit matter
Impairment of Goodwill The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash-generating units (CGUs) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. Key assumptions used in the calculation include: • estimating the budgeted gross margins to be generated in the future; • estimating the long-term growth rate; and; • determining the discount rate to be used. We determined this to be an area of focus for the audit on account of the significance of the judgments applied by the Directors in determining the recoverable amount of this Cash Generating Unit ("CGU"). Refer to Note 3 (*Critical accounting estimates and assumptions*) and Note 13 (Goodwill)	In assessing the reasonableness of the assumptions applied by the Directors, we performed the following procedures: • agreed the cash flow forecasts to the most recently approved budgets and assessed reliability of budgeted numbers against historic performance; • tested the appropriateness of assumptions used in preparing the cash flow forecasts and company budget; • assessed the reasonableness of the projected cash outflows arising on repairs and maintenance expenditure against historic performance and commitments; • assessed the reasonableness of the long-term growth rate against historical growth rate of the business; • assessed the reasonableness of the determined discount rate to ensure it was representative of the risks specific to the CGU by relying on work performed by our experts; • we evaluated the sensitivity of the Group's goodwill to fluctuations in the key assumptions applied to ascertain the extent to which the key inputs would have to change before goodwill would be considered impaired; and • we tested the mathematical accuracy of the goodwill assessment performed and agreed information used to the general ledger.

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Independent auditor's report (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the Key audit matter</th></tr>
<tr><td>

Valuation of Biological assets

i) Livestock

In measuring the fair value of livestock and standing crop, various management estimates and judgements are required. Estimates and judgements in determining the fair value of livestock relate to market prices, average weight and quality of animals, and mortality rates. The livestock grow at different rates and there can be a considerable spread in the quality and weight of animals that affects the price achieved. An average weight is assumed for the animals based on a sample deemed to be representative of the total population per breed and genetic merit.

ii) Standing Crop

For standing crops, the most significant estimate relates to management's assessment of anticipated yield per hectare. This assessment considers historic yields, climate conditions and prices.

Key assumptions used in the calculations include:

• estimating the average weight of animals;

• estimating the market prices; and;

• estimating the anticipated yields per hectare and adjustment related to the crops rate of growth.

We determined this to be an area of focus for the audit on account of the significance of the judgments applied by the Directors in determining the fair value of the biological assets.

Refer to Note 3 (Critical accounting estimates and assumptions) and Note 16 (Biological assets).
</td><td>
In assessing the reasonableness of the assumptions applied by the Directors, we performed the following procedures:

• assessed the determined sample to ensure it was representative of the animal population by category and mix;

• observed the weighing of the animals based on the sample selected and

re-calculated the average weight;

• obtained the market prices from suppliers as at year end used in the valuation process;

• assessed the reasonableness of anticipated yields per hectare against the subsequent yields based on the actual yields achieved

• we evaluated the sensitivity of the biological asset values to fluctuations in the key assumptions applied to ascertain the extent to which the key inputs would have on the balances as at year end;

• we tested the mathematical accuracy of the assessment performed and agreed information used to the general ledger.
</td></tr>
</table>

Other information

The Directors are responsible for the other information. The other information comprises the Annual Report but does not include the Group and Company annual financial statements and our auditor's report thereon.

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

Independent auditor's report (continued)

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

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

Responsibilities of the Directors for the Group and Company annual financial statements

The Directors are responsible for the preparation of the Group and Company annual financial statements that give a true and fair view in accordance with IFRS as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia and the Securities Act, 2016 of Zambia, and for such internal control as the Directors determine is necessary to enable the preparation of Group and Company annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company annual financial statements, the Directors are 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 the Directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

Auditor's responsibilities for the audit of the Group and Company annual financial statements

Our objectives are to obtain reasonable assurance about whether the Group and Company annual 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 Group and Company annual financial statements.

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

- Identify and assess the risks of material misstatement of the Group and Company annual 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 Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 Group and Company annual financial statements or, if such disclosures are inadequate, to modify our opinion.

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Auditor's responsibilities for the audit of the Group and 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 Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the Group and Company annual financial statements, including the disclosures, and whether the Group and Company annual 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 Group and Company annual 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 the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the Group and Company annual 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 Group and Company Auditor, have in the Group and Company;

ii) as required by section 259 (3)(b), there are serious breaches by the Group's and Company's Directors, of corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017of Zambia; and

iii) in accordance with section 250 (2), as regards loans made to a Group and Company Officer (a director, company secretary or executive officer of the Group and Company) the Group and Company does not state the:

   - particulars of any relevant loan made during the financial year to which the accounts apply, including any loan which was repaid during that 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 matters to report.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Chibuye.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
7 December 2023
Lusaka

Andrew Chibuye
Practicing Certificate Number: AUD/F002378
Partner signing on behalf of the firm

Financial Statements

30 September 2023

Statement of Profit or Loss and Other Comprehensive Income

	Notes	Group		Company	
Continuing operations		**2023**	**2022**	**2023**	**2022**
Revenue from contracts with customers	5(ii)	**6,046,157**	**5,394,761**	**3,384,408**	**3,361,428**
Change in fair value of biological assets	16	643,197	349,462	568,975	338,052
Cost of sales of goods	7	(4,846,092)	(4,111,037)	(3,046,883)	(2,826,242)
Gross profit		**1,843,262**	**1,633,186**	**906,500**	**873,238**
Other (expenses)/income	6	(46,419)	2,491	(18,064)	17,325
Net impairment losses on financial assets	4(b)	(2,713)	(17,869)	(1,768)	(7,876)
Impairment of goodwill	13	-	(141,786)	-	(141,786)
Distribution expenses	7	(96,287)	(65,596)	(1,302)	(67,118)
Administrative expenses	7	(1,336,486)	(1,236,762)	(741,469)	(658,635)
Operating profit		**361,357**	**173,664**	**143,897**	**15,148**
Net Finance costs and Income	8	(155,089)	(114,997)	(123,921)	(87,475)
Share of loss from equity investment	15(ii)	(2,595)	(3,503)	(2,595)	(3,503)
Profit/(loss) before income tax		**203,673**	**55,164**	**17,381**	**(75,830)**
Income tax expense – continuing operations	10	(72,851)	(63,283)	(15,704)	(27,799)
(Loss)/profit from continuing operations		130,822	(8,119)	1,677	(103,629)
Profit from discontinued operations after tax	20(i)	(10,604)	39,697	(10,604)	39,697
Profit/(loss) for the year		**120,218**	**31,578**	**(8,927)**	**(63,932)**
Profit/(loss) attributable to:					
Owners of Zambeef Products PLC		118,612	29,152	(8,927)	(63,932)
Non-controlling interests		1,606	2,426	-	-
		120,218	**31,578**	**(8,927)**	**(63,932)**
Other comprehensive income:					
Items that maybe reclassified to profit or loss					
Translation differences - foreign operations	22	(40,617)	(16,320)	-	-
Translation differences - Mpongwe Farms	22	-	(10,847)	-	(10,847)
Items not reclassified to profit or loss					
Revaluation surplus	23	1,003,412	-	977,426	-
Actuarial remeasurement losses	26(i)	(768)	(3,150)	(425)	(1,058)
Deferred income tax	25	(98,516)	6,394	(97,751)	3,018
Other comprehensive income for the year		863,511	(23,923)	879,250	(8,887)
Total comprehensive income for the year		**983,729**	**7,655**	**870,323**	**(72,819)**

Statement of Profit or Loss and Other Comprehensive Income (continued)

	Notes	Group		Company	
		2023	**2022**	**2023**	**2022**
Total comprehensive income for the year is attributable to:		**K'000**	**K'000**	**K'000**	**K'000**
Owners of Zambeef Products Plc		990,425	4,970	870,323	(72,819)
Non-controlling interests		(6,696)	2,685	-	-
		983,729	7,655	870,323	(72,819)
Basic earnings per share		Ngwee	Ngwee	Ngwee	Ngwee
Continuing operations	30	42.99	(3.51)	0.56	(34.46)
Discontinued operations	30	(3.53)	13.21	(3.53)	13.21
Total basic earnings per share		39.46	9.70	(2.97)	(21.25)
Diluted earnings per share					
Continuing operations	30	32.25	(2.63)	0.42	(25.85)
Discontinued operations	30	(2.65)	9.91	(2.65)	9.91
Total diluted earnings per share		29.60	7.28	(2.23)	(15.94)

The notes on pages 51 to 115 form an integral part of these annual financial statements

Consolidated Statement of Financial Position

	Notes	30-Sept-23 K'000	30-Sept-22 K'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	4,818,533	3,167,000
Goodwill	13	25,015	25,015
Investment in associate	15	34,370	36,965
Biological assets	16	123,359	86,592
		5,001,277	3,315,572
Current assets			
Biological assets	16	285,039	234,104
Inventories	17	1,656,487	1,441,912
Trade and other receivables	18	332,703	289,300
Cash and cash equivalents	19	271,222	223,972
Assets classified as held for sale	20(iii)	157,640	170,091
		2,703,091	2,359,379
Total assets		**7,704,368**	**5,674,951**
EQUITY			
Share capital	21	3,006	3,006
Share premium	21	1,125,012	1,125,012
Preference share capital	21	1,000	1,000
Foreign currency translation reserve	22	660,390	692,705
Revaluation reserve	23	1,964,087	1,113,119
Retained earnings		930,261	758,489
Attributable to owners of parent entity		4,683,756	3,693,331
Non-controlling interests (NCI)		(6,630)	66
		4,677,126	3,693,397
LIABILITIES			
Non-current liabilities			
Lease liabilities	12(b)	15,622	12,597
Borrowings	24	687,679	426,222
Deferred income tax	25	302,017	223,217
Defined benefit obligations	26	1,631	3,654
		1,006,949	665,690
Current liabilities			
Lease liabilities	12(b)	6,448	5,046
Borrowings	24	972,827	525,325
Trade and other payables	27	834,191	649,573
Contract liabilities	28	164,063	97,400
Current income tax	10	42,764	38,520
		2,020,293	1,315,864
Total equity and liabilities		**7,704,368**	**5,674,951**

The annual financial statements on pages 44 to 115 were approved for issue by the board of directors on 7 December 2023 and signed on its behalf by:

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Michael Mundashi SC
Chairman

____
Faith Mukutu
Chief Executive Officer

The notes on pages 51 to 115 form an integral part of these annual financial statements.

Company Statement of Financial Position

		30-Sept-23	30-Sept-22
ASSETS	**Notes**	**K'000**	**K'000**
Non-current assets			
Property, plant and equipment	11	3,595,380	2,181,612
Investment in subsidiaries	14	104,020	104,020
Investment in associate	15	34,370	36,965
Biological assets	16	123,359	86,592
		3,857,129	2,409,189
Current assets			
Biological assets	16	232,396	183,061
Inventories	17	1,104,477	977,667
Trade and other receivables	18	1,277,442	786,517
Cash and cash equivalents	19	209,854	136,149
Assets classified as held for sale	20(iii)	157,640	170,091
Current income tax asset	10	-	-
		2,981,809	2,253,485
Total assets		**6,838,938**	**4,662,674**
EQUITY			
Share capital	21	3,006	3,006
Share premium	21	1,125,012	1,125,012
Preference share capital	21	1,000	1,000
Foreign currency translation reserve	22	687,048	687,048
Revaluation reserve	23	1,561,799	712,279
Retained earnings		760,468	739,665
		4,138,333	3,268,010
LIABILITIES			
Non-current liabilities			
Lease liabilities	12(b)	7,403	5,354
Borrowings	24	687,679	426,222
Deferred income tax	25	220,829	140,280
Defined benefit obligations	26	902	366
		916,813	572,222
Current liabilities			
Lease liabilities	12(b)	6,288	4,878
Borrowings	24	783,148	337,669
Trade and other payables	27	886,026	367,814
Contract liabilities	28	94,976	97,400
Current income tax	10	13,354	14,681
		1,783,792	822,442
Total equity and liabilities		**6,838,938**	**4,662,674**

The annual financial statements on pages 44 to 115 were approved for issue by the board of directors on 7 December 2023 and signed on its behalf by:

Micheal Mundashi SC
Chairman

Faith Mukutu
Chief Executive Officer

The notes on pages 51 to 115 form an integral part of these annual financial statements.

Consolidated Statement of Changes in Equity

	Share Capital	Share premium	Preference share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total attributable to owners of parent entity	Non-controlling interests	Total
Year ended 30 September 2022	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	
At start of year	3,006	1,125,012	1,000	720,131	1,160,653	678,559	3,688,361	(2,619)	3,685,742
Profit for the year	-	-	-	-	-	29,152	29,152	2,426	31,578
Other comprehensive income:									
Transfer of excess depreciation	-	-	-	-	(53,928)	53,928	-	-	-
Actuarial remeasurement losses	-	-	-	-	-	(3,150)	(3,150)	-	(3,150)
Deferred income tax (Note 25)	-	-	-	-	6,394	-	6,394	-	6,394
Translation differences (Note 22)	-	-	-	(27,426)	-	-	(27,426)	259	(27,167)
	-	-	-	(27,426)	(47,534)	50,778	(24,182)	259	(23,923)
Total comprehensive income for the year	-	-	-	(27,426)	(47,534)	79,930	4,970	2,685	7,655
At end of year	3,006	1,125,012	1,000	692,705	1,113,119	758,489	3,693,331	66	3,693,397
Year ended 30 September 2023									
At start of year	3,006	1,125,012	1,000	692,705	1,113,119	758,489	3,693,331	66	3,693,397
Profit for the year	-	-	-	-	-	118,612	118,612	1,606	120,218
Other comprehensive income:									
Revaluation surplus	-	-	-	-	1,003,412	-	1,003,412	-	1,003,412
Transfer of excess depreciation	-	-	-	-	(53,928)	53,928	-	-	-
Actuarial remeasurement losses	-	-	-	-	-	(768)	(768)	-	(768)
Deferred income tax (Note 25)	-	-	-	-	(98,516)	-	(98,516)	-	(98,516)
Translation differences (Note 22)	-	-	-	(32,315)	-	-	(32,315)	(8,302)	(40,617)
	-	-	-	(32,315)	850,968	53,160	871,813	(8,302)	863,511
Total comprehensive income for the year	-	-	-	(32,315)	850,968	171,772	990,425	(6,696)	983,729
At year end	3,006	1,125,012	1,000	660,390	1,964,087	930,261	4,683,756	(6,630)	4,677,126

The notes on pages 51 to 115 are an integral part of these annual financial statements.

Company Statement of Changes in Equity

	Share Capital	Share premium	Preference share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total
	K'000	K'000	K'000	K'000	K'000	K'000	
At start of year	3,006	1,125,012	1,000	697,895	739,522	774,394	3,340,829
Loss for the year	-	-	-	-	-	(63,932)	(63,932)
Other comprehensive income:							
Transfer of excess depreciation	-	-	-	-	(30,155)	30,155	-
Actuarial remeasurement losses	-	-	-	-	-	(1,058)	(1,058)
Deferred income tax (Note 25)	-	-	-	-	2,912	106	3,018
Translation losses on Mpongwe farms (Note 22)	-	-	-	(10,847)	-	-	(10,847)
	-	-	-	(10,847)	(27,243)	29,203	(8,887)
Total comprehensive income for the year	-	-	-	(10,847)	(27,243)	(34,729)	(72,819)
At start of year	3,006	1,125,012	1,000	687,048	712,279	739,665	3,268,010
Year ended 30 September 2023							
At start of year	3,006	1,125,012	1,000	687,048	712,279	739,665	3,268,010
Loss for the year	-	-	-	-	-	(8,927)	(8,927)
Other comprehensive income:							
Revaluation reserve	-	-	-	-	977,426	-	977,426
Transfer of excess depreciation	-	-	-	-	(30,155)	30,155	-
Actuarial remeasurement losses	-	-	-	-	-	(425)	(425)
Deferred income tax (Note 25)	-	-	-	-	(97,751)	-	(97,751)
Translation losses	-	-	-	-	-	-	-
	-	-	-	-	849,520	29,730	879,250
Total comprehensive income for the year	-	-	-	-	849,520	20,803	870,323
At year end	3,006	1,125,012	1,000	687,048	1,561,799	760,468	4,138,333

The notes on pages 51 to 115 are an integral part of these annual financial statements.

Consolidated Statement of Cash Flows

		Group		Company	
		2023	2022	2023	2022
	Notes	K'000	K'000	K'000	K'000
Cash generated from/(used in) operations					
	29(i)	316,758	308,323	(29,141)	153,025
Interest paid on borrowings	29(ii)	(44,646)	(53,473)	(44,646)	(53,473)
Interest paid on leases	29(ii)	(2,676)	(1,813)	(1,312)	(784)
Benefits paid	26(i)	(3,422)	(9,672)	(238)	(3,247)
Income tax paid	10	(88,323)	(44,877)	(34,233)	(9,828)
Net cash inflow from operating activities		177,691	198,488	(109,570)	85,693
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(817,295)	(222,135)	(504,998)	(109,858)
Proceeds from disposal assets		4,025	2,819	6,165	-
Net cash outflow from investing activities		(813,270)	(219,316)	(498,833)	(109,858)
Cash flows from financing activities					
Proceeds from borrowings	29(ii)	916,396	722,995	916,396	722,995
Principal repayments of borrowings	29(ii)	(526,257)	(526,205)	(526,257)	(526,205)
Principal elements of lease payments	29(ii)	(7,319)	(14,965)	(6,016)	(7,322)
Net cash in flow from financing activities		382,820	181,825	384,123	189,468
Net increase/(decrease) for the year		(252,759)	160,997	(224,280)	165,303
Movement in cash and cash equivalents					
At start of year		(127,708)	(288,665)	(27,876)	(193,224)
Net increase /(decrease)		(252,759)	160,997	(224,280)	165,303
Exchange differences		-	(40)	-	45
At year end	19	(380,467)	(127,708)	(252,156)	(27,876)

The notes on pages 51 to 115 are an integral part of these annual financial statements.

Notes to Annual Financial Statements
For the year ended 30 September 2023

1 General information

Zambeef Products PLC (the "Company") is incorporated in Zambia under the Zambia Companies Act as a public limited company, listed on the Lusaka Stock Exchange and is domiciled in Zambia. The Company and its subsidiaries (together "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, stockfeed and flour.

The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 14,530 Hectares of row crops under irrigation and 7,924 Hectares of rain-fed/dry-land crops available for planting each year. The Group also has operations in West Africa in Nigeria and Ghana.

The Group's registered office is:
Plot 4970, Manda Road
Industrial Area
Lusaka
Zambia

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these annual financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The annual financial statements are for the Group consisting of Zambeef Products PLC and its subsidiaries.

a) Basis of preparation

Compliance with IFRS

The annual financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The annual financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The annual financial statements have been prepared on historical cost basis, except where otherwise stated in the accounting policies below. The annual financial statements are presented in Zambia Kwacha (K). Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

In accordance with the Companies Act, 2017 of Zambia, the annual financial statements for the year ended 30 September 2023 have been approved for issue by the Directors.

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

i) New and amended standards adopted by the Group

The Group has adopted the applicable new, revised or amended accounting pronouncements as issued by the International and Accounting Standards Board (IASB), which were effective for the Group from 1 October 2022.

The amendments to accounting standards below effective for the reporting period 1 October 2022 did not have any material impact on the Group's accounting policies and required no retrospective adjustments to the annual financial statements of the Group.

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16.

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37. The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Annual Improvements to IFRS Standards 2018–2020. The following improvements were finalised in May 2020:

- *IFRS 9 Financial Instruments* – clarifies which fees should be included in the 10% test for derecognition of financial liabilities;

- *IFRS 16 Leases* – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives;

IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures

ii) New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1. The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant).

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

iii) New and amended standards not yet adopted by the Group(continued)

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2. The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Definition of Accounting Estimates – Amendments to IAS 8. The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12. The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and;
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28. The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

iii) New and amended standards not yet adopted by the Group(continued)

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

b) Principles of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

b) Principles of consolidation and equity accounting (continued)

ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Zambeef Products PLC.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

c) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement, and;
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

d) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Zambeef Products PLC has appointed a strategic steering committee which assesses the financial performance and position of the Group and makes strategic decisions. The steering committee, which has been identified as being the CODM, consists of the Chief Executive Officer and the Chief Financial Officer.

f) Foreign currency translation

i) Functional and presentation currency

Items included in the annual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Zambian Kwacha (K), which is Zambeef Products PLC's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Translation differences arising on Mpongwe Farms, whose assets and liabilities are denominated in US Dollars are posted in other comprehensive income. In December 2021, management aligned the functional currency of Mpongwe Farms to that of Zambeef Products PLC as the farm is a direct and integral extension of the reporting entity.

iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and;
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

g) Revenue recognition

The Group's contracts with customers exist in various forms and typically take the form of signed agreements, approved customer purchase orders, invoices to customers, terms and conditions documents and customary business practices, all of which have commercial substance and impact the Company's future cash flows. Revenue is recognised at point in time upon delivery of products and customer acceptance. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Retailing and food production

The cold food chain products are mainly beef, chicken, pork, fish, milk and dairy products. These products are sold through the Group's retail 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. Revenue is recognised at point in time when performance obligations are satisfied by delivering the products.

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 stockfeed. Revenue is recognised at point in time when performance obligations are satisfied by delivering the stockfeed.

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. A contract liability is reconginsed for all amounts received in advance for which the performance obligation of transferring the goods to the customer has not been met.

Cropping and milling

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 at point in time when performance obligations are satisfied by delivering the grain.

The flour mill and bread are sold through the Group's retail network and are mainly for cash sales. Revenue is recognised at point in time upon accptance of products by the customer.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

h) Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income. Interest income is recognised using the effective interest method.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

i) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently shown at fair value, based on valuations by external independent valuers, less accumulated depreciation. Valuations are performed with sufficient regularity to ensure that the fair value does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

Buildings	2%
Plant & machinery	10%
Motor vehicles	20%
Furniture & Equipment	10%

Capital work in progress, which represents additions to property, plant and equipment that have not yet been brought into use, is not depreciated. Additions are transferred into the above depreciable asset classes once they are brought into use. Capital work in progress is measured at cost less impairments.

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

j) Leases

The following sets out the Group's lease accounting policy for all leases with the exception of leases with low-value and short term of less than 12 months for which the Group has taken the exemption under the standard and are expensed to profit or loss as incurred.

i) Right of use assets

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use under the contract). Leasehold land is initially recognised at cost and subsequently shown at fair value, based on valuations by external independent valuers, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities

All other right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date (which do not form part of the lease liability value at the commencement date).

Right of use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term.

Buildings	10 years	Lease term
Plant & machinery	10 years	Lease term
Motor vehicles	4 years	Lease term
Leasehold land	70-80 years	Lease term

The right-of-use assets are tested for impairment in accordance with IAS 36 "Impairment of Assets".

ii) Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of all remaining lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments where the contracts specify fixed or minimum uplifts) and variable lease payments that depend on an index or a rate.

The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs. Due to the nature of the leased assets the interest rate implicit in the lease is usually not readily determinable, the Group therefore uses the incremental borrowing rate in calculating the present value of lease payments at the lease commencement date.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

k) Goodwill

Goodwill is measured as described in Note (C). Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

l) Biological assets

Biological assets are measured at fair value less cost to sell, based on market prices at auction of livestock of similar age, breed and genetic merit, with adjustments, where necessary, to reflect the differences. Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers, and estimated costs of transport to the market, but exclude finance costs and income taxes.

Changes in fair value of livestock and growing crop are recognised in profit or loss. Farming costs such as feeding, labour costs, pasture maintenance, veterinary services and shearing are expensed as incurred. The cost of purchase of sheep plus transportation charges are capitalised as part of biological assets.

Cattle and Pigs are measured at fair value based on market prices of similar age, breed and genetic merit, with adjustments, where necessary, to reflect the differences. Market prices are obtained from local active market. Cattle and Pigs are classified as current assets if they are to be sold within one year.Standing crops (Maize, Soya and Wheat) are measured 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.

The cost model is adopted for the measurement of Chickens and agricultural produce (parent breeding stock, commercial layers, set eggs and unset eggs) as the fair values cannot be reliably measured. Breeding stock and commercial layers are capitalized at cost at the beginning of their productive cycleand amortised on a straight-line method over the anticipated productive cycle, to its estimated net realizable value. All the expenses incurred in establishing and maintaining the assets are recognized in cost of sales. All costs incurred in acquiring biological assets until point of production are capitalised.

Set and unset eggs are measured on costs with expenses incurred in maintaining the assets included within "cost of sales" in profit or loss for the period in which they arise.

m) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of first in first out. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

n) Financial instruments

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Classification and measurement

Financial assets

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The group reclassifies debt investments when and only when its business model for managing those assets changes. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group measures its debt instruments at amortised cost as assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method. The Group's financial assets are trade receivables and cash and cash equivalents.

i) Trade and receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

ii) Cash and cash equivalents

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

Financial liabilities

The Group's financial liabilities are classified as amortised cost. Financial liabilities are recognised initially at fair value and inclusive of directly attributable transaction costs. The Group's financial liabilities are borrowings and trade and other payables (excluding statutory liabilities).

i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

m) Financial instruments (continued)

Financial liabilities (continued)

i) Borrowings (continued)

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

ii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to Note 4(b) for further details.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Substantial modification

A substantial modification of the terms of an existing debt instrument or part of it is accounted for as an extinguishment of the original debt instrument and the recognition of a new debt instrument. Gains or losses arising from the modification of the terms of a debt instrument are recognised immediately in profit or loss where the modification does not result in the derecognition of the existing instrument.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. As at the reporting period, there were no assets and liabilities off-set relating to financial instruments. The legally enforceable right is not contingent on future events and is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

n) Other current assets

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

Prepayments are amounts paid in advance during the accounting period for an underlying asset that will be consumed in a future period. When the asset is used or consumed, the prepayments are amortised, and costs are recognised in operating expenses. Prepayments are stated at their nominal values in the financial statements.

o) Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

p) Non-current assets (or disposal groups) held for sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued)

q) Share capital and share premium

Ordinary shares are classified as share capital in equity. Mandatorily redeemable preference shares are classified as liabilities. However, the Group classifies preference shares as equity as they do not meet the definition of a financial liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Any premium received over and above the par value of the shares is classified as share premium in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

r) Earnings per share

i) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

s) Employee benefits

i) *Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

ii) *Post-employment obligations*

The Group operates various post-employment schemes, including both defined contribution and benefit plans.

Defined contribution plan

The Group and all its employees pay contributions to the National Pension Scheme Authority (NAPSA), a publicly administered pension scheme on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

2 Summary of significant accounting policies (continued

s) Employee benefits (continued)

ii) *Post-employment obligations (continued)*

Defined benefit pension plan

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The plan is unfunded. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

t) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

2 Summary of significant accounting policies (continued

t) Income tax (continued)

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

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3 Critical accounting estimates and judgements

The preparation of annual financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong are as follows:

i) Estimated Goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash-generating units (CGUs) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

3 Critical accounting estimates and judgements (continued)

ii) Valuation of biological assets

In measuring the fair value of livestock and standing crop, various management estimates and judgements are required.

Estimates and judgements in determining the fair value of livestock relate to market prices, average weight and quality of animals, and mortality rates. The livestock grow at different rates and there can be a considerable spread in the quality and weight of animals that affects the price achieved. An average weight is assumed for the animals based on a sample deemed to be representative of the total population per breed and genetic merit.

For standing crop, the most significant estimate relates to management's assessment of anticipated yield per hectare and and adjustment related to the crops rate of growth. This assessment considers historic yields, climate conditions and prices.

iii) Estimation of 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.

iv) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 4(b).

4 Financial risk management

The Group's risk management is predominantly controlled by a central treasury department (group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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:

- Increase in the retail footprint of the Group;
- Increase in production facilities of the Group, leading to higher volumes available for retail;
- 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.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

4 Financial risk management (continued)

The Group's exposure to foreign currency risk, primarily with respect to the United States Dollar (US$), at the end of the reporting period, expressed in Zambian Kwacha is detailed in the table below.

	Group	Company
	US$	US$
	K'000	K'000
As at 30 September 2023		
Cash and cash equivalents	206,659	198,455
Trade and other receivables	132,927	68,581
	339,586	**267,036**
Financial liabilities:		
Bank overdrafts	(40,633)	(40,321)
Bank loans	(148,720)	(148,720)
Trade and other payable	(376,590)	(256,662)
Lease liabilities	(8,512)	(8,303)
	(574,455)	**(454,006)**
Net exposure	**(234,869)**	**(186,970)**
As at 30 September 2022		
Financial assets:		
Cash and cash equivalents	2,658	1,801
Trade and other receivables	75,841	57,493
	78,499	**59,294**
Financial liabilities:		
Bank overdrafts	(11,577)	(11,561)
Bank loans	(24,754)	(24,754)
Trade and other payables	(88,858)	(88,858)
Lease liabilities	(7,127)	(7,127)
	(132,316)	**(132,300)**
Net exposure	**(53,817)**	**(73,006)**

Sensitivity

At 30 September 2023, if the Zambian Kwacha had weakened/strengthened by 10% (2021: 10%) against the United States Dollar (US$) with all other variables held constant, the effect on post-tax profit for the year and shareholders' equity would have been as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Impact on profit and equity	23,487	5,382	18,697	7,301

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

4 Financial risk management (continued)

a) *Market risk (continued)*

ii) Cash flow and fair value Interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. To manage the risks, 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 reviews economic conditions relating to such variable benchmarks and is allowed to consider alternate debt structures where the need may arise.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

	2023	% of total loans	2022	% of total loans
	K'000		K'000	
Group				
Variable rate borrowings	1,073,911	65%	647,547	68%
Company				
Variable rate borrowings	884,232	60%	459,891	60%

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

As at 30 September 2023, with all other variables held constant, a 5 % (2022: 5%) decrease/increase in the base interest rate would have resulted in change in post-tax profit for the year and shareholders' equity as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Impact on profit and equity	2,657	1,475	2,353	1,184

IBOR reforms

During the year, the Group repaid all outstanding loans and renewed both short-term working capital facilities and long-term debt based on the SOFR rate. There were no long-term facilities transitioned from LIBOR to SOFR to warrant an assessment of debt modifications or extinguishments.

iii) Price risk

The Group does not hold any financial instruments subject to price risk (2022: Nil).

b) *Credit risk*

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

4 Financial risk management (continued)

b) *Credit risk (continued)*

i) *Risk management*

For banks and financial institutions, the Group only maintains accounts in reputable well-established financial institutions. Through selective granting of credit, the Group's risk control unit assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group does not grade the credit quality of receivables. Individual risk limits are set based on internal ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

Sales to retail customers are required to be settled in cash mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The Directors believe the credit risk of trade receivables is low.

ii) *Security*

The Group does not obtain security on outstanding trade receivables

iii) *Impairment of financial assets*

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables
- Cash and cash equivalents
- Other financial assets at amortised cost

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group's historical credit loss experience does not show significantly different loss patterns for the various customer segments. Therefore, the grouping of trade receivables is not disaggregated into further risk profiles other than days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 September 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation and interest rates of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The outstanding trade receivables subjected to expected credit loss calculation are net of debtors where there is a legal right to offset.

There were no changes in the estimation techniques or significant assumptions made as at the reporting period. The amount that best represents the Company's maximum exposure to credit risk is the carrying value of its financial assets as presented in the statement of financial position.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

4 Financial risk management (continued)

b) *Credit risk (continued)*

On that basis, the loss allowance as at 30 September 2023 and 30 September 2022 was determined as follows for trade receivables:

30 September 2023	Current	31 -60 days past due	61 – 90 days past due	Over 90 days past due	Total
Group	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Gross carrying amount	97,094	7,171	1,121	8,348	113,734
	97,094	7,171	1,121	8,348	113,734
Expected loss rate	10.2%	15.0%	65.0%	90%	
Loss allowance	(9,908)	(1,076)	(729)	(7,513)	(19,226)
Amortised cost	87,186	6,095	392	835	94,508
Company					
Gross carrying amount	35,689	482	125	4,349	40,645
	35,689	482	125	4,349	40,645
Expected loss rate	16.1%	89.9%	100%	100%	
Loss allowance	(5,746)	(433)	(125)	(4,349)	(10,653)
Amortised cost	29,943	49	-	-	29,992

30 September 2022	Current	31 -60 days past due	61 – 90 days past due	Over 90 days past due	Total
Group	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Gross carrying amount	120,034	5,871	793	10,867	137,565
Right to offset balances	(16,667)	-	-	-	(16,667)
	103,367	5,871	793	10,867	120,898
Expected loss rate	5.0%	7.0%	61%	90%	
Loss allowance	(5,168)	(411)	(484)	(9,780)	(15,843)
Other allowance	(13,769)	-	-	-	(13,769)
Amortised cost	84,430	5,460	309	1,087	91,286
Company					
Gross carrying amount	46,112	2,072	220	5,387	53,791
Right to offset balances	(16,667)	-	-	-	(16,667)
	29,445	2,072	220	5,387	37,124
Expected loss rate	7%	26%	100%	100%	
Loss allowance	(2,061)	(539)	(220)	(5,387)	(8,207)
Other allowance	(6,272)	-	-	-	(6,272)
Amortised cost	21,112	1,533	0	0	22,645

The loss allowances for trade receivables as at 30 September reconcile to the opening loss allowances as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	K'000	**K'000**	**K'000**	**K'000**
At start of year	29,612	11,743	14,479	6,603
Charge recognised in profit or loss	2,713	17,869	1,768	7,876
Utilised	(13,099)	-	(5,594)	-
	19,226	29,612	10,653	14,479

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

4 Financial risk management (continued)

b) Credit risk (continued)

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The loss allowance recognised is categorised as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Performing debtors	11,713	6,065	6,304	8,198
Non-performing debtors - over 90 days	7,513	23,547	4,349	6,281
	19,226	29,612	10,653	14,479

Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Other financial assets at amortised cost

Other financial assets at amortised cost relate to receivables from related parties, staff debtors, and sundry debtors. All of the Group's other financial assets at amortised cost are considered to have a low risk of default and the debtors have a strong capacity to meet their contractual cash flow obligations in the near term.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates.

In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

4 Financial risk management (continued)

c) *Liquidity risk (continued)*

i) *Financing arrangements*

The Group had access to the following undrawn borrowing facilities (Bank loans and overdrafts) at the end of the reporting period:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Floating rate				
Expiring within one year	2,574	1,475	2,280	1,184

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in a denominated currency and have an average maturity of 1 years (2022:1 years).

ii) *Maturities of financial liabilities*

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
	K'000	K'000	K'000		
At 30 September 2023					
Group					
Trade and other payables*	820,902	-	-	-	820,902
Borrowings	972,827	95,948	106,533	485,198	1,660,506
Lease liabilities	2,038	17,172	5,936	6,005	31,151
	1,795,767	113,120	112,469	491,203	2,512,559
Company					
Trade and other payables*	495,035	-	-	-	495,035
Borrowings	783,148	95,948	106,533	485,198	1,470,827
Lease liabilities	759	14,244	-	-	15,003
	1,278,942	110,192	106,533	485,198	1,980,865
At 30 September 2022					
Group					
Trade and other payables*	612,842	-	-	-	612,842
Borrowings	525,325	55,732	370,490	-	951,547
Lease liabilities	7,094	6,453	5,791	7,991	27,329
	1,145,261	62,185	376,281	7,991	1,591,718
Company					
Trade and other payables*	362,760	-	-	-	362,760
Borrowings	337,669	55,732	370,490		763,891
Lease liabilities	5,790	5,225	-	-	11,015
	706,219	60,957	370,490	-	1,137,666

*Trade and other payables exclude statutory liabilities as these are imposed by law and therefore do not meet the definition of financial instruments.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

4 Financial risk management (continued)

d) *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:

- any future climate change with a potential shift in weather patterns leading to floods or droughts and associated crop losses;
- potential insect, fungal and weed infestations resulting in crop failure and reduced yields;
- wild and domestic animal conflicts and crop raiding and;
- 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.

e) *Capital risk management*

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio which is calculated as Net debt divided by Total 'equity' (as shown in the statement of financial position).

During 2023, the Group's strategy, which was unchanged from prior year, was to maintain a gearing ratio of less than 70%.The gearing ratio is not part of the contractual debt covenants imposed by the lenders. Therefore, there is no adverse financing implications on the Group in the event that the ratio deteriorates. The gearing ratios at 30 September 2023 and 30 September 2022 were as follows:

	Group		Company	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Net debt (Note 29 (ii)	1,411,353	745,217	1,274,662	637,974
Total equity attributable to parent	4,683,757	3,693,331	4,134,947	3,268,010
Gearing ratio	30%	20%	31%	19%

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

4 Financial risk management (continued)

f) *Fair value measurements*

This note explains the judgements and estimates made in determining the fair values of the non-financial assets and liabilities that are recognised and measured at fair value in the financial statements. As at the end of the reporting period, the Group had no financial instruments measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards as below:

- **Level 1:** The fair value of non-financial instruments traded in active markets is based on quoted market prices at the end of the reporting period;
- **Level 2:** The fair value of non-financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2;
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

	Level 1	Level 2	Level 3	Total
At 30 September 2023	**K'000**	**K'000**	**K'000**	**K'000**
Group				
Non-financial assets:				
Property plant and equipment	-	-	4,818,533	4,818,533
Biological assets	-	408,398	-	408,398
	-	408,398	4,818,533	5,226,931
Company				
Non-financial assets:				
Property plant and equipment	-	-	3,595,380	3,595,380
Biological assets	-	355,758	-	355,758
	-	355,758	3,595,380	3,951,138
At 30 September 2022				
Group				
Non-financial assets:				
Property plant and equipment	-		3,167,000	3,167,000
Biological assets	-	320,696	-	320,696
	-	320,696	3,167,000	3,487,696
Company				
Non-financial assets:				
Property plant and equipment	-	-	2,181,612	2,181,612
Biological assets	-	269,653	-	269,653
	-	269,653	2,181,612	2,451,265

There were no transfers between the levels for recurring fair value measurements during the year.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

4 Financial risk management (continued)

f) *Fair value measurements (continued)*

Property, plant and equipment

Level 3 fair values were derived using comparable value of similar items of property, plant and equipment and adjusted for differences in key attributes such as property size and condition. Depreciated replacement cost approach was used for specialized buildings, furniture and fittings, motor vehicles and office equipment.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

Biological assets

Biological assets are measured at fair value less cost to sell. Refer to Note 3(ii) for further information on the inputs used in determining the fair value.

g) *Financial instruments by category*

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Financial assets at amortised cost				
Trade and other receivables (excluding prepayments)	198,078	131,056	809,756	723,976
Cash and cash equivalents	271,222	223,973	209,854	136,149
	469,300	355,029	1,019,610	860,125
Financial liabilities at amortised cost				
Borrowings	1,660,506	951,547	1,470,827	763,891
Lease liabilities	22,070	17,643	13,689	10,232
Trade and other payables (excluding statutory liabilities)	812,764	612,842	486,148	362,760
	2,495,340	1,582,032	1,970,664	1,136,883

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

5 Segment reporting

The Group's Chief Operating Decision Makers (CODMs), (consisting of the Chief Executive Officer and the Chief Financial Officer), examine the Group's performance both from a product and geographic perspective and has identified two reportable segments of its business as shown in the table below.

During the year, individual segments ((beef, chicken, pork, fish, dairy products, day-old chicks and stockfeed) have been aggregated into one reportable segment, Retailing and Food production, as they have similar average gross margins and similar expected growth rates. The same applies to the Cropping and milling segment.

- *Retailing and cold chain food products: This part of business sells cold food chain products which are mainly beef, chicken, pork, fish, milk, leather and dairy products as well as sale of day-old chicks and stockfeed.*

- *Cropping and milling: This part of business sells wheat, soya and maize grain as well as flour mill and bread.*

The CODMs primarily use a measure of gross profit to assess the performance of the operating segments. Operating costs, interest income, finance cost and assets are not allocated to segments, as these activities are driven by the central treasury function, which manages the cash position of the Group. There is no single customer of the Group making up 10% of revenue.

i) Segment revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time by operating segment as follows:

Group	Retailing and Cold Chain Food Products	Cropping & Milling	Total
2023	**K'000**	**K'000**	**K'000**
Segment revenue	3,579,502	3,799,233	7,378,735
Inter-segment eliminations	(869,521)	(463,057)	(1,332,578)
External revenue	2,709,981	3,336,176	6,046,157
Gross profit	969,955	873,307	1,843,262
2022			
Segment revenue	3,138,305	3,369,186	6,507,491
Inter-segment eliminations	(689,431)	(423,299)	(1,112,730)
External revenue	2,448,874	2,945,887	5,394,761
Gross profit	716,420	916,766	1,633,186

Company	Retailing and Cold Chain Food Products	Cropping & Milling	Total
2023	**K'000**	**K'000**	**K'000**
Segment revenue	1,214,438	2,169,970	3,384,408
Gross profit	209,142	697,358	906,500
2022			
Segment revenue	1,103,568	2,257,860	3,361,428
Gross profit	292,687	580,551	873,238

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

5 Segment reporting (continued)

i) Segment revenue (continued)

Group	Retailing and Cold Chain Food Products	Cropping & Milling	Total
2023	**K'000**	**K'000**	**K'000**
Gross profit by segment	969,955	873,307	1,843,262
Other income/(expenses)	(11,848)	(37,284)	(49,132)
Distribution and administrative expenses	(833,458)	(599,315)	(1,432,773)
Operating profit	124,649	236,708	361,357
2022			
Gross profit by segment	716,420	916,766	1,633,186
Other income/(expenses)	(34,267)	18,889	(15,378)
Distribution and administrative expenses	(628,683)	(673,675)	(1,302,358)
Impairment of goodwill	(141,786)	-	(141,786)
Operating profit	(88,316)	261,980	173,664
Company			
2023			
Gross profit by segment	209,142	697,358	906,500
Other income/(expenses)	(8,080)	(11,752)	(19,832)
Distribution and administrative expenses	(173,418)	(569,353)	(742,771)
Operating profit	27,644	116,253	143,897
2022			
Gross profit by segment	292,687	580,551	873,238
Other income/(expenses)	2,835	6,614	9,449
Distribution and administrative expenses	(217,726)	(508,027)	(725,753)
Impairment of goodwill	-	-	-
Impairment of investment in subsidiaries	(141,786)	-	(141,786)
Operating profit	(63,990)	79,138	15,148

	Group		Company	
	2023	2022	2023	2022
	K'000	**K'000**	**K'000**	**K'000**
Operating profit	361,357	173,664	143,897	15,148
Unallocated:				
Share of loss from equity investment	(2,595)	(3,503)	(2,595)	(3,503)
Net finance income and costs	(155,089)	(114,997)	(123,921)	(87,475)
Profit/(loss) before income tax	**203,673**	**55,164**	**17,381**	**(75,830)**

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

5 Segment reporting (continued)

ii) *Segment assets and liabilities*

The Group's assets and liabilities are not allocated to each segment. However, the CODMs review information regarding the operating assets and liabilities of the main reporting entities within the Group as shown in the table below.

For the purpose of allocating assets and liabilities, the 'Other' segment comprises of the foreign subsidiaries (Master Meats Nigeria and Ghana), Zamleather Limited, Zamchick Limited and Zamhatch

	Company	Retailing Ltd	Masterpork	Other	Total
	K'000	K'000	K'000	K'000	K'000
As at 30 September 2023					
Total assets	5,708,592	585,919	142,380	1,268,097	7,704,988
Total liabilities	2,311,433	427,308	39,258	259,049	3,037,048
As at 30 September 2022					
Total assets	4,181,638	824,979	256,869	567,634	5,831,120
Total liabilities	1,285,576	258,337	190,320	241,737	1,975,970

6 Other income/(expenses)

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Rental income	3,859	6,069	2,828	5,339
Management fees	21,242	-	21,242	-
Loss on disposal of fixed assets	(7,756)	(29,386)	1,040	(21,772)
Exchange losses on working capital	(63,764)	25,808	(43,174)	33,758
	(46,419)	2,491	(18,064)	17,325

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

7 Breakdown of expenses by nature

	Group		Company	
	2023	2022	2023	2022
Cost of sales of goods:	K'000	K'000	K'000	K'000
Changes in inventory – Finished goods	3,739,698	3,055,812	1,948,055	1,769,768
Production and overhead costs	154,847	177,254	158,847	177,254
Fuel expenses	67,136	41,151	65,369	41,151
Transport	25,341	7,813	25,341	7,813
Veterinary	19,365	15,459	13,600	16,708
Other miscellaneous expenses	839,705	813,548	835,671	813,548
	4,846,092	4,111,037	3,046,883	2,826,242
Distribution expenses:				
Employee benefits expense (Note 9)	34,880	29,447	-	-
Depreciation	23,310	16,612	-	-
Repairs and maintenance	6,123	4,735	-	-
Levies and licenses	9,171	6,483	-	-
Transport	19,285	1,682	1,302	67,118
Insurance	116	1,022	-	-
Satellite	479	696	-	-
Travel	478	701	-	-
Other	2,445	4,218	-	-
	96,287	65,596	1,302	67,118
Administrative expenses:				
Depreciation	124,724	92,636	73,881	56,565
Employee benefits expense (Note 9)	683,333	638,489	386,982	360,683
Legal and other professional fees	24,337	24,639	18,575	19,012
Directors' remuneration	15,569	13,648	2,161	13,648
Auditors' remuneration	4,181	3,300	4,181	3,300
Repairs and maintenance	137,165	118,256	83,693	66,182
Water and electricity	89,531	72,532	57,889	43,592
Other miscellaneous expenses	257,646	273,262	114,107	95,653
	1,336,486	1,236,762	741,469	658,635
Total expenses	6,278,865	5,413,395	3,789,654	3,551,995

8 Finance income and costs

	Group		Company	
	2023	2022	2023	2022
Finance income:				
Exchange gains on borrowings (Note 29(ii)	-	3,188	-	3,188
Exchange gains on leases (Note 29(ii)	-	353	-	346
	-	3,541	-	3,534
Finance costs:				
Interest expense on bank overdrafts	(87,323)	(63,252)	(57,471)	(36,752)
Interest expense on borrowings (Note 29(ii)	(44,646)	(53,473)	(44,646)	(53,473)
Interest expense on leases (Note 29(ii)	(2,462)	(1,813)	(1,312)	(784)
	(134,431)	(118,538)	(103,429)	(91,009)
Exchange losses on borrowings	(18,812)	-	(18,812)	
Exchange losses on leases	(1,846)	-	(1,680)	-
	(20,658)	-	(20,492)	-
Net finance income and costs	(155,089)	(114,997)	(123,921)	(87,475)

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

9 Employee benefit expense

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Salaries and other staff costs	644,317	571,910	380,033	331,662
Retirement benefits costs:	2,718			
Social security costs	28,745	49,207	3,347	14,668
Pension costs	42,433	46,819	12,488	14,353
	718,213	667,936	395,868	360,683
Allocated as:				
Distribution expenses	34,880	29,447	-	-
Administrative expenses	683,333	638,489	395,868	360,683
	718,213	667,936	395,868	360,683

10 Income tax expense

This note provides an analysis of the Group's income tax expense and how the tax expense is affected by non-assessable and nondeductible items.

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Current income tax charge	92,567	73,333	32,906	27,029
Deferred income tax credit (Note 25)	(19,716)	(5,639)	(17,202)	5,181
	72,851	67,694	15,704	32,210

i) *Numerical reconciliation of income tax expense to prima facie tax payable*

Applicable tax rates range from 10% to 30% depending on the activities of the entities within the Group.

The tax on the Group and Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Profit before income tax from:				
Continuing operations	203,673	55,164	17,381	(75,830)
Discontinued operations	(10,604)	44,108	(10,604)	44,108
	193,069	99,272	6,777	(31,722)
Tax at rate of 10% (2022: 10%)	19,307	9,927	678	(3,172)
Tax effects of:				
Expenses not deductible for tax purposes	48,257	45,988	12,784	35,382
Effect of difference in tax rates	5,287	11,779	2,242	-
	72,851	67,694	15,704	32,210
Income tax expense is attributable to:				
Profit from continuing operations	72,851	63,283	15,704	27,799
Profit from discontinued operation	-	4,411	-	4,411
	72,851	67,694	15,704	32,210

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

10 Income tax expense (continued)

ii) Movement in current income tax on the statement of financial position

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
At start of year	38,520	10,064	14,681	(2,520)
Current income tax charge	92,567	73,333	32,906	27,029
Payments made during the year	(88,323)	(44,877)	(34,233)	(9,828)
At end of year	42,764	38,520	13,354	14,681

iii) Analysis of tax losses

During the year, the Group carried forward tax losses of K358.8 million (2022: 275.4 million). Unutilised losses expire after 5 years as shown in the table below:

Period end	Tax loss c/f	Expiry date
	K'000	
30 September 2019	17,486	30 September 2024
30 September 2020	5,327	30 September 2025
30 September 2021	37,549	30 September 2026
30 September 2022	1,986	30 September 2027
30 September 2023	296,505	30 September 2028
Total	358,853	

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

11 Property, plant and equipment

Group	Right of use assets	Buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2021	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	1,595,928	722,203	685,643	93,729	41,970	26,117	3,165,590
Accumulated depreciation	(40,137)	(3,252)	(4,144)	(1,941)	(1,098)	-	(50,572)
Net book value	1,555,791	718,951	681,499	91,788	40,872	26,117	3,115,018
Year ended 30 September 2022							
Opening net book value	1,555,791	718,951	681,499	91,788	40,872	26,117	3,115,018
Additions – PPE	-	4,071	968	9,924	3,492	203,680	222,135
Additions – ROU	15,075	-	-	-	-	-	15,075
Transfers	-	15,953	93,300	24,116	8,177	(141,546)	-
Disposals -cost	-	(15,234)	(5,329)	(1,096)	(49)	(7,550)	(29,258)
Disposals-accumulated depreciation	-	770	2,967	6	5	-	3,748
Derecognised - cost	(24,963)	-	-	-	-	-	(24,963)
Derecognised – accumulated depreciation	9,985	-	-	-	-	-	9,985
Depreciation charge	(10,991)	(16,034)	(61,095)	(24,385)	(9,577)	-	(122,082)
Exchange differences	-	(9,744)	(12,837)	(57)	(20)	-	(22,658)
Net book value	1,544,897	698,733	699,473	100,296	42,900	80,701	3,167,000
As at 30 September 2022							
Cost or fair value	1,586,040	717,249	761,745	126,616	53,570	80,701	3,325,921
Accumulated depreciation	(41,143)	(18,516)	(62,272)	(26,320)	(10,670)	-	(158,921)
Net book value	1,544,897	698,733	699,473	100,296	42,900	80,701	3,167,000

Assets classified as capital work in progress mainly relate to the costs incurred for the ongoing farm expansion projects at the Group's locations.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

11 Property, plant and equipment (continued)

Group	Right of use assets	Buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2022	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	1,586,040	717,249	761,745	126,616	53,571	80,701	3,325,922
Accumulated depreciation	(41,143)	(18,516)	(62,272)	(26,320)	(10,671)	-	(158,922)
Net book value	1,544,897	698,733	699,473	100,296	42,900	80,701	3,167,000
Year ended 30 September 2023							
Opening net book value	1,544,897	698,733	699,473	100,296	42,900	80,701	3,167,000
Additions - PPE	-	-	163,008	77,552	26,884	483,239	750,683
Additions - Borrowing cost	-	4,928	13,512	-	-	48,172	66,612
Additions - ROU	10,916	-	-	-	-	-	10,916
Transfers	2,909	92,681	148,982	-	-	(244,572)	-
Reclassification of ROU	(10,050)	-	10,050	-	-	-	-
Revaluation surplus	1,003,412	-	-	-	-	-	1,003,412
Disposals -cost	-	-	(3,729)	(1,422)	(54)	-	(5,205)
Disposals-accum dep	-	-	705	525	11	-	1,241
Derecognised - cost	(4,139)	-	-	-	-	-	(4,139)
Derecognised – accum dep	2,075	-	-	-	-	-	2,075
Impairment of assets	-	-	(5,925)	-	(281)	-	(6,206)
Depreciation charge	(6,095)	(17,225)	(88,096)	(35,622)	(12,566)	-	(159,604)
Exchange differences	(2,952)	(1,891)	(1,261)	(113)	(2,035)	-	(8,252)
Net book value	2,540,973	777,226	936,719	141,216	54,859	367,540	4,818,533
As at 30 September 2023							
Cost or fair value	2,586,136	812,967	1,086,382	202,633	78,084	367,540	5,133,742
Accumulated depreciation	(45,163)	(35,741)	(149,663)	(61,417)	(23,225)	-	(315,209)
Net book value	2,540,973	777,226	936,719	141,216	54,859	367,540	4,818,533

Assets classified as capital work in progress mainly relate to the costs incurred for the ongoing farm expansion projects at the Group's locations.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

11 Property, plant and equipment (continued)

Company	Right of use assets	Buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2021	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	1,255,326	522,149	351,309	**22,592**	**19,623**	**7,870**	2,178,869
Accumulated depreciation	(12,386)	-	-	-	-	-	(12,386)
Net book value	1,242,940	522,149	351,309	22,592	19,623	7,870	2,166,483
Year ended 30 September 2022							
Opening net book value	1,242,940	522,149	351,309	22,592	19,623	7,870	2,166,483
Additions	-	1,440	3,711	2,010	590	102,107	109,858
Additions - ROU	10,156	-	-	-	-	-	10,156
Transfers	-	3,804	55,812	3,263	2,920	(65,799)	-
Disposals-cost	-	(215)	(30,292)	(101)	(3)	(6,792)	(37,403)
Disposals-accumulated depreciation	-		2,196	6	1	-	2,203
Depreciation charge	(9,368)	(7,361)	(30,903)	(4,752)	(4,181)	-	(56,565)
Exchange differences	-	(10,963)	(2,081)	(57)	(19)	-	(13,120)
Net book value	1,243,728	508,854	349,752	22,961	18,931	37,386	2,181,612
As at 30 September 2022							
Cost or fair value	1,265,482	516,215	378,459	27,707	23,111	37,386	2,248,360
Accumulated depreciation	(21,754)	(7,361)	(28,707)	(4,746)	(4,180)	-	(66,748)
Net book value	1,243,728	508,854	349,752	22,961	18,931	37,386	2,181,612

Assets classified as capital work in progress mainly relate to the costs incurred for the ongoing farm expansion projects at the Company's locations.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

11 Property, plant and equipment (continued)

Company	Right of use assets	Land and buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2022	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	1,265,482	516,215	378,459	27,707	23,111	37,386	2,248,360
Accumulated depreciation	(21,754)	(7,361)	(28,707)	(4,746)	(4,180)	-	(66,748)
Net book value	1,243,728	508,854	349,752	22,961	18,931	37,386	2,181,612
Year ended 30 September 2023							
Opening net book value	1,243,728	508,854	349,752	22,961	18,931	37,386	2,181,612
Additions – PPE	-	-	240,915	15,097	9,919	239,067	504,998
Additions -ROU	9,023	-	-	-	-	-	9,023
Transfers	-	41,441	8,032	409	-	(49,882)	-
Revaluation surplus	977,426	-	-	-	-	-	977,426
ROU asset transfer – cost	(32,260)	-	32,260	-	-	-	-
ROU asset transfer – depreciation	22,210	-	(22,210)	-	-	-	-
Impairment of assets	-	-	(601)	-	(86)	-	(687)
Disposals-cost	-	-	(3,729)	(73)	(39)	-	(3,841)
Disposals-accumulated depreciation	-	-	705	18	7	-	730
Depreciation charge	(2,683)	(7,634)	(49,287)	(9,204)	(5,073)	-	(73,881)
Net book value	2,217,444	542,661	555,837	29,208	23,659	226,571	3,595,380
As at 30 September 2023							
Cost or fair value	2,219,671	557,656	655,336	43,140	32,905	226,571	3,735,279
Accumulated depreciation	(2,227)	(14,995)	(99,499)	(13,932)	(9,246)	-	(139,899)
Net book value	2,217,444	542,661	555,837	29,208	23,659	226,571	3,595,380

Assets classified as capital work in progress mainly relate to the costs incurred for the ongoing farm expansion projects at the Company's locations.

The register showing the details of property as required by Section 30 of the Companies Act, 2017 of Zambia is available during the business hours at the registered office of the Group.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

11 Property, plant and equipment (continued)

i) Non-current assets pledged as security

All assets disclosed are pledged as security on the Group's borrowings for each reporting period and title is restricted. The Group had no contractual commitments for the acquisition of property, plant and equipment and no amount of compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss.

ii) Carrying amounts that would have been recognised if assets were stated at cost

If items of property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Cost	2,711,567	1,877,967	1,865,193	1,360,195
Accumulated depreciation	(1,173,314)	(1,008,426)	(977,188)	(903,307)
	1,538,253	869,541	888,005	456,888

Right of use assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets relating to prepaid plant and machinery and buildings.

In Zambia, land is held on lease from the Government of the Republic of Zambia for a period of 99 years. IFRS 16 requires that for any lease, a right of use asset and lease liability be recognised unless the Group deems the lease as short-term lease or of low value.

Advance payments made in acquiring the land are added to right of use assets and amortised over the period of the lease on a straight-line basis and therefore there is no corresponding lease liability. The effect of discounting the ground rates is immaterial and these have been expensed to profit or loss as incurred. As at the end of the reporting period, and unchanged from prior year, the Company had insignificant leasing arrangements. Therefore, the Company has taken the exemption under the standard, and these have been expensed to profit or loss as incurred. Lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leasehold land is initially recognised at cost and subsequently shown at fair value, based on valuations by external independent valuers, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

11 Property, plant and equipment (continued)

Right of use assets (continued)

The movement in the right of use assets is as presented in the note property, plant and equipment.

Group	Leasehold Land	Buildings	Plant and machinery	Total
As at 30 September 2021				
Cost or fair value	1,512,508	23,268	60,152	1,595,928
Accumulated depreciation	-	(17,766)	(22,371)	(40,137)
Net book value	1,512,508	5,502	37,781	1,555,791
Year ended 30 September 2022				
Opening net book value	1,512,508	5,502	37,781	1,555,791
Additions - ROU	-	4,919	10,156	15,075
Derecognised - cost	-	-	(24,963)	(24,963)
Derecognised - accumulated depreciation	-	-	9,985	9,985
Depreciation charge	-	(1,518)	(9,473)	(10,991)
Net book value	1,512,508	8,903	23,486	1,544,897
Year ended 30 September 2023				
Opening net book value	1,512,508	8,903	23,486	1,544,897
Additions - ROU	-	2,104	8,812	10,916
Transfers	-	-	2,909	2,909
Revaluation surplus	1,003,412	-	-	1,003,412
Reclassification from ROU	-	-	(10,050)	(10,050)
Derecognised - cost	-	(4,139)	-	(4,139)
Derecognised - accumulated depreciation	-	2,075	-	2,075
Depreciation charge	-	(2,023)	(4,072)	(6,095)
Exchange differences	(2,952)	-	-	(2,952)
Net book value	2,512,968	6,920	21,085	2,540,973
As at 30 September 2023				
Cost or fair value	2,512,968	26,152	47,016	2,586,136
Accumulated depreciation	-	(19,232)	(25,931)	(45,163)
Net book value	2,512,968	6,920	21,085	2,540,973

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

11 Property, plant and equipment (continued)

Right of use assets (continued)

The movement in the right of use assets is as presented in the note property, plant and equipment.

Company	Leasehold Land	Buildings	Plant and machinery	Total
As at 30 September 2021				
Cost or fair value	1,220,137	-	35,189	1,255,326
Accumulated depreciation	-	-	(12,386)	(12,386)
Net book value	1,220,137	-	22,803	1,242,940
Year ended 30 September 2022				
Opening net book value	1,220,137	-	22,803	1,242,940
Additions - ROU	-	-	10,156	10,156
Depreciation charge	-	-	(9,368)	(9,368)
Net book value	1,220,137	-	23,591	1,243,728
As at 30 September 2022				
Cost or fair value	1,220,137	-	45,345	1,265,482
Accumulated depreciation	-	-	(21,754)	(21,754)
Net book value	1,220,137	-	23,591	1,243,728
Year ended 30 September 2023				
Opening net book value	1,220,137	-	23,591	1,243,728
Additions - ROU	-	-	9,023	9,023
Revaluation surplus	977,426	-	-	977,426
Reclassification from ROU	-	-	(10,050)	(10,050)
Depreciation charge	-	-	(2,683)	(2,683)
Net book value	2,197,563	-	19,881	2,217,444
As at 30 September 2023				
Cost or fair value	2,197,563	-	22,108	2,219,671
Accumulated depreciation	-	-	(2,227)	(2,227)
Net book value	2,197,563	-	19,881	2,217,444

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

12 Leases

The Group leases various offices and retail stores (classified as buildings) and farm and production equipment and trailers (classified as plant and machinery). Lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

a) Lease liabilities

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Current	6,448	5,046	6,288	4,878
Non-current	15,622	12,597	7,403	5,354
	22,070	17,643	13,691	10,232

Refer to Note 29 (ii) for details on the movement in lease liabilities on the statement of financial position.

ii) Amounts recognised in the statement of profit or loss

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Depreciation charge:	6,095	10,451	2,683	3,495
Interest expense on lease liabilities	2,676	1,822	1,312	1,634
Expense relating to short-term leases	17,929	20,783	759	8,237
	26,700	33,056	4,754	13,366

During the year, there were no expenses relating to low-value assets and variable lease payments recognised in profit or loss (2022: Nil).

iii) Maturity analysis of contractual lease payments outstanding

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Within 1 year	2,038	7,094	759	5,790
Between 1 and 2 years	17,172	6,453	14,244	5,225
Between 2 and 3 years	1,972	1,843	-	-
Between 3 and 4 years	1,976	1,972	-	-
Between 4 and 5 years	1,988	1,976	-	-
Later than 5 years	6,005	7,991	-	-
Minimum lease payments	31,151	27,329	15,003	11,015
Finance charges	(9,081)	(9,686)	(1,312)	(783)
Net present value	22,070	17,643	13,691	10,232

The Group did not receive any COVID-19-related rent concessions during the year (2022: Nil).

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

13. Goodwill

Goodwill is monitored by management at the level of the three cash-generating units (CGU). A CGU-level summary of the goodwill allocation is presented below:

Year ended 30 September 2023

	Masterpork	Zamchick	Zamhatch	Total
At start of year	15,699	-	9,316	166,801
Impairment of goodwill	-	-	-	(141,786)
At end of year	15,699	-	9,316	25,015

Year ended 30 September 2022

	Masterpork	Zamchick	Zamhatch	Total
At start of year	15,699	141,786	9,316	166,801
Impairment of goodwill	-	(141,786)	-	(141,786)
At end of year	15,699	-	9,316	25,015

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	Masterpork	Zamhatch
Year ended 30 September 2023	**K'000**	**K'000**
Budgeted average operating margins	2%	17%
Discount rates	27.4%	27.4%
Long-term growth rate	12.0%	12.0%
Year ended 30 September 2022		
Budgeted average operating margins	2%	17%
Discount rates	22.8%	22.8%
Long-term growth rate	7.1%	10.6%

Management has determined the values assigned to each of the above key assumptions as follows:

- Budgeted operating margins: Based on past performance and management's expectations for the future;
- Discount rates: Reflect specific risks relating to the relevant segments and the countries in which they operate;
- Long-term growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

The sensitivity of Goodwill (excluding the CGU impaired) to changes in the weighted principal assumptions is:

	Masterpork	Zamhatch
Year ended 30 September 2023	**K'000**	**K'000**
Budgeted average operating margins (-2%)	(4,038)	(242,094)
Discount rates (+1%)	(26,149)	(378,376)
Long-term growth rate (-2%)	(25,925)	(275,343)
Year ended 30 September 2022		
Budgeted average operating margins (-2%)	(23,048)	(38,229)
Discount rates (+1%)	(6,501)	(9,893)
Long-term growth rate (-2%)	(11,083)	(19,527)

The recoverable amount of the cash generating unit (CGU) calculated based on value in use exceeded the carrying value of the net assets as follows:

	2023	2022
Year ended 30 September 2023	**K'000**	**K'000**
Masterpork Limited	98,972	66,459
Zamhatch Limited	403,441	961,654

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

14 Investment in subsidiaries

a) Subsidiaries

The Group's investments in subsidiaries at 30 September are set out below. Following the impairment of Goodwill on Zamchick, the Directors were of the view that the investment in the same entity was impaired.

Subsidiary	2023	2022
	K'000	K'000
Investment in subsidiaries	104,020	245,807
Impairment	-	(141,787)
	104,020	104,020

Breakdown of investment in subsidiaries	2023	2022
	K'000	K'000
Zambeef Retailing Limited	31	31
Zamleather Limited	1,477	1,477
Master meat (Nigeria) Ltd	216	216
Master meat (Ghana) Ltd	1,310	1,310
Masterpork Limited	26,601	26,601
Zamchick Limited	16,443	16,443
Zamhatch Limited	57,942	57,942
	104,020	104,020

Unless otherwise stated, the entities have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of subsidiary	Place of incorporation	Ownership interest		Principal activities
		2023	2022	
Zambeef Retailing Ltd	Zambia	100%	100%	Retailing of Zambeef products
Zamleather Limited	Zambia	100%	100%	Processing and sale of leather & shoes
Master meat (Nigeria) Ltd	Nigeria	80%	80%	Processing and sale of meat products
Master meat (Ghana) Ltd	Ghana	90%	90%	Processing and sale of meat products
Masterpork Limited	Zambia	100%	100%	Processing and sale of pork
ZamChick Limited	Zambia	100%	100%	Processing and sale of poultry products
Zamhatch Limited	Zambia	100%	100%	Chicken breeding, rearing and production of stockfeed

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

14. Investment in subsidiaries (continued)

a) *Non-controlling interest (NCI)*

	Nigeria - Master Meat Ltd		Ghana - Master Meat Ltd	
	2023	2022	2023	2022
Statement of profit or loss	**K'000**	**K'000**	**K'000**	**K'000**
Revenue	224,925	238,317	42,273	53,672
Profit for the year	7,415	11,895	1,227	470
Other comprehensive income	-	-	-	-
Total comprehensive income	7,415	11,895	1,227	470
Profit allocated to NCI	1,483	2,379	123	47
Dividends paid to NCI	-	-	-	-
Statement of financial position				
Current assets	25,756	29,087	5,117	3,435
Current liabilities	(85,891)	(71,989)	(4,456)	(5,536)
Net current liabilities	(60,135)	(42,902)	661	(2,101)
Non-current assets	12,182	30,424	659	704
Non-current liabilities	-	-	(153)	(31)
Net non-current assets	12,182	30,424	506	673
Net (liabilities)/assets	(47,953)	(12,478)	1,167	(1,428)
Accumulated NCI	(7,095)	1,638	259	(1,572)
Statement of cash flows				
Cash flows from operating activities	7,415	11,895	1,227	470
Cash flows from investing activities	(417)	(109)	(11)	(10)
Cash flows from financing activities	-	-	-	-
Net increase in cash	6,998	11,786	1,216	460

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

15 Investment in associates

Set out below is the associate of the Group as at 30 September 2023 which, in the opinion of the Directors, is material to the Group. The entity has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also the entity's principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Entity	Place of incorporation	Ownership interest		Nature of relationship
		2023	2022	
Zampalm Limited	Zambia	10%	10%	Associate

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. As at the end reporting date, the Group had a 10% equity interest in Zampalm Limited. The Group has reasonable influence over Zampalm Limited as it has representation on the Board of Directors, participates in policy making decisions and provides essential farming technical information.

The sensitivity of the investment in associate to changes in the weighted principal assumptions is:

	2023	2022
	K'000	K'000
Budgeted average operating margins (-2%)	11,947	(4,678)
Discount rates (+1%)	12,577	(182)
Long-term growth rate (-2%)	12,918	1,412

If the budgeted gross margin used in the value-in-use calculation for the Investment in associate had been 2% lower than management's estimates at year end (4.65% instead of 6.65%), the Group would have had to recognise an impairment against the carrying amount of Investment in associate of K4.7m (2022: K4.7 million).

The recoverable amount of the investment in associate calculated based on value in use exceeded the carrying value of the net assets as follows:

	2023	2022
	K'000	K'000
Headroom on impairment assessment	(10,089)	2,242

The Group had no commitments and contingent liabilities in respect of the associate (2022: Nil).

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

15 Investment in associates (continued)

i) Summarised financial information for associate

The information disclosed below reflects the amounts presented in the annual financial statements of the relevant associate, Zampalm Limited and not the Group's share of those amounts.

	2023	2022
Statement of profit or loss:	**K'000**	**K'000**
Revenue	1,791	2,854
Loss from continuing operations	(25,954)	(35,028)
Loss for the year	(25,954)	(35,028)
Other comprehensive income	-	-
Total comprehensive income	(25,954)	(35,028)
Statement of financial position:		
Non-current assets	270,120	262,279
Current assets	10,504	17,384
Total assets	280,624	279,663
Capital and reserves	46,662	75,609
Non-current liabilities	209,588	185,374
Current liabilities	24,374	18,680
Total equity and liabilities	280,624	279,663

ii) Reconciliation of carrying amounts:

At start of year	36.965	40,468
Share of loss for the year	(2,595)	(3,503)
Share of other comprehensive income	-	-
At end of year	34,370	36,965

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

16 Biological assets

The Group's biological assets comprise standing crops, feedlot cattle, dairy cattle, pigs and chickens.

i) Analysis by group of biological assets

Group	Standing crop	Feedlot cattle	Dairy cattle	Pigs	Chickens	Total
	K'000	K'000	K'000	K'000	K'000	K'000
As at 30 September 2022						
At start of year	54,585	156,314	71,365	7,618	69,115	358,997
Increase due to purchases	404,645	310,789	1,813	12,977	174,992	905,216
Change in fair value of biological assets:						
Due to biological transformation	292,823	75,124	22,290	4,960	(42,379)	352,818
Due to price changes	-	-	-	(1,262)	(2,094)	(3,356)
	292,823	75,124	22,290	3,698	(44,473)	349,462
Transfer of harvest to inventory	(684,072)	-	-	-	-	(684,072)
Decrease due to slaughter/sale	-	(427,150)	(8,876)	(24,293)	(148,588)	(608,907)
At end of year	**67,981**	**115,077**	**86,592**	**-**	**51,046**	**320,696**
Current	**67,981**	**115,077**	**-**	**-**	**51,046**	**234,104**
Non-current	-	-	86,592	-	-	86,592
	67,981	**115,077**	**86,592**	**-**	**51,046**	**320,696**
As at 30 September 2023						
At start of year	67,981	115,077	86,592	-	51,046	320,696
Increase due to purchases	453,357	273,635	1,664	-	69,078	797,734
Change in fair value of biological assets:						
Due to biological transformation	411,146	113,501	44,328	-	70,379	639,354
Due to price changes	-	-	-	-	3,843	3,843
	411,146	113,501	44,328	-	74,222	643,197
Transfer of harvest to inventory	(823,648)	-	-	-	-	(823,648)
Decrease due to slaughter/sale	-	(378,653)	(9,225)	-	(141,703)	(529,581)
At end of year	**108,836**	**123,560**	**123,359**	**-**	**52,643**	**408,398**
Current	108,836	123,560	-	-	52,643	285,039
Non-current	-	-	123,359	-	-	123,359
	108,836	**123,560**	**123,359**	**-**	**52,643**	**408,398**

All assets disclosed are pledged as security on the Group's borrowings for each reporting period and title is restricted. There were no commitments for the development or acquisition of biological assets.

For standing crops, contributory asset charges have been incorporated into the fair value of the biological assets.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

16 Biological assets (continued)

i) *Analysis of group of biological assets (continued)*

Company	Standing crop	Feedlot cattle	Dairy cattle	Chickens	Total
	K'000	K'000	K'000	K'000	K'000
As at 30 September 2022					
At start of year	54,585	156,314	71,365	25,684	307,948
Increase due to purchases	404,645	310,789	1,813	75,811	793,058
Change in fair value of biological assets:					
Due to biological transformation	292,823	75,124	22,290	(52,186)	338,051
Due to price changes	-	-	-	-	-
	292,823	75,124	22,290	(52,186)	338,051
Transfer of harvest to inventory	(684,072)	-	-	-	(684,072)
Decrease due to slaughter/sale	-	(427,150)	(8,876)	(49,309)	(485,335)
At end of year	**67,981**	**115,077**	**86,592**	**-**	**269,650**
Current	67,981	115,077	-	-	183,058
Non-current	-	-	86,592	-	86,592
	67,981	**115,077**	**86,592**	**-**	**269,650**
As at 30 September 2023					
At start of year	67,981	115,077	86,592	-	269,650
Increase due to purchases	453,357	273,635	1,664	-	728,656
Change in fair value of biological assets:					
Due to biological transformation	411,146	113,501	44,328	-	568,975
Due to price changes	-	-	-	-	-
	411,146	113,501	44,328	-	568,975
Transfer of harvest to inventory	(823,648)	-	-	-	(823,648)
Decrease due to slaughter/sale	-	(378,653)	(9,225)	-	(387,878)
At end of year	**108,836**	**123,560**	**123,359**	**-**	**355,755**
Current	108,836	123,560	-	-	232,396
Non-current	-	-	123,359	-	123,359
	108,836	**123,560**	**123,359**	**-**	**355,755**

All assets disclosed are pledged as security on the Group's borrowings for each reporting period and title is restricted. There were no commitments for the development or acquisition of biological assets.

For standing crops, contributory asset charges have been incorporated into the fair value of the biological assets.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

16 Biological assets (continued)

ii) *Number of hectares and livestock*

As at 30 September, the Group had the following number of hectares and livestock

	Group		Company	
	2023	2022	2023	2022
Number of hectares				
Standing crop	1,172	5,528	1,172	5,528
Number of livestock				
Feedlot cattle	9,612	9,036	9,612	9,036
Dairy cattle	3,685	3,407	3,685	3,407
Chickens	220,856	229,475	-	-
Culled animals				
Feedlot cattle	30,462	41,039	30,462	41,039
Dairy cattle	544	1,186	544	1,186
Pigs	-	5,319	-	5,319
Chickens	4,018,464	6,753,961	-	328,443

iii) Key assumptions

The significant assumptions in the determination of the fair value of biological assets are the average weight per animal and average yield per hectare for standing crop. The assumptions used for the valuation of the biological assets are as follows:

	Group		Company	
	2023	2022	2023	2022
Average weight - kg				
Bulls	456	557	456	557
Heifers	322	352	322	352
Steers	333	480	333	480
Cows	437	484	437	484
Average yields per hectare - tons				
Wheat	6.78	8.0	6.78	8.0
Soya	2.79	3.52	2.79	3.52

iv) Sensitivity

The sensitivity of the biological assets to changes in the weighted principal assumptions is:

	Impact on biological assets			
	Group		Company	
	2023	2022	2023	2022
Change in assumption	**K'000**	**K'000**	**K'000**	**K'000**
Average weight (-1%)	(1,557)	(1,510)	(1,557)	(1,510)
Average yields per hectare (-1%)	(911)	(3,843)	(911)	(3,843)

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

17 Inventory

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Trading stocks	565,225	544,345	427,028	429,358
Abattoir stocks	31,700	27,302	31,700	27,302
Raw materials	451,405	132,250	172,969	73,106
Stockfeed	439,190	506,136	397,428	304,245
Consumables	156,707	220,337	75,352	143,656
Raw hides and chemicals	12,260	11,542	-	-
	1,656,487	**1,441,912**	**1,104,477**	**977,667**
Inventories recognised as an expense	4,846,092	4,111,037	3,046,883	2,826,242

18 Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Trade receivables	215,417	137,565	78,806	53,791
Loss allowance (Note 4(b))	(19,226)	(29,612)	(10,653)	(14,479)
	196,191	107,953	68,153	39,312
Amounts due from related parties (Note 31)	3,248	3,123	1,055,062	611,870
Loans receivable (Note 31)	-	-	75,338	67,683
Prepayments	16,997	158,244	10,629	62,541
Other receivables	116,267	19,980	68,260	5,111
	332,703	**289,300**	**1,277,442**	**786,517**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value. As at the end of the reporting period, there were no trade receivables subject to a factoring arrangement (2022: Nil).

19 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Cash at bank and in hand	**271,222**	**223,973**	**209,854**	**136,149**

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Balances as above	271,222	223,973	209,854	136,149
Bank overdrafts (Note 24)	(651,689)	(351,681)	(462,010)	(164,025)
Balances per statement of cash flows	**(380,467)**	**(127,708)**	**(252,156)**	**(27,876)**

As at the reporting period, there were no deposits at call nor any restricted cash.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

20 Discontinued operations

In 2020, the Group announced its intention to exit Chiawa Farm unit and initiated an active program to locate a buyer for its assets, primarily consisting of property, plant and equipment. The associated assets and liabilities were consequently presented as held for sale in subsequent years.

While there have been several interested parties, the Group has maintained the farm under active marketing as a suitable bidder is yet to be found. Based on the recent offer letters received from prospective buyers, the Directors are of the opinion that the carrying amount of the assets does not exceed their recoverable value as at the end of the reporting period.

Financial information relating to the discontinued operation for the year is set out below.

i) *Financial performance*

	2023	2022
	K'000	**K'000**
Revenue	152,466	107,039
Expenses	(163,070)	(62,931)
(Loss)/profit before income tax	(10,604)	44,108
Income tax expense	-	(4,411)
(Loss)/profit for the year	(10,604)	39,697
Other comprehensive income	-	-
Total comprehensive income for the year	(10,604)	39,697

ii) *Cashflow information*

Net cash inflow from operating activities	(10,604)	44,108
Net cash inflow from investing activities	-	-
Net cash from financing activities	-	-
Net increase in cash generated by the farm	(10,604)	44,108

iii) *Assets and liabilities of disposal group classified as held for sale*

The following assets were reclassified as held for sale in relation to the assets classified as held for sale:

	2023	2022
	K'000	**K'000**
Assets classified as held for sale		
Property plant and equipment	170,091	170,550
Additions	-	6,748
Transfers	(5,540)	-
Depreciation charge*	(6,911)	(7,207)
	157,640	170,091

*As the assets have been under active marketing since 2020, the Group depreciates the assets at end of each period reporting period as the assets are still in use.

There were no liabilities directly associated with assets classified as held for sale during the year (2022: Nil).

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

21 Share capital and share premium

	2023 Shares	2022 Shares	2023 K'000	2022 K'000
Ordinary shares				
Authorised	700,000,000	700,000,000	7,000,000	7,000,000
Issued and fully paid	300,579,630	300,579,630	3,006	3,006
Share premium	1,125,012	1,125,012	1,125,012	1,125,012
Preference shares				
Authorised and issued -fully paid	100,057,658	100,057,658	1,000	1,000

i) *Ordinary shares*

Ordinary shares have a par value of K0.01. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Group in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote. Of the 300,579,630 issued and fully paid shares, 137,675,979 are held by shareholders on the AIM of the London Stock Exchange and 162,903,611 are held by shareholders on the Lusaka Stock Exchange.

ii) *Preference shares*

The Company's largest ordinary shareholder, British International Investment (BII), is also the holder of all the 100,057,658 convertible redeemable preference shares in issue (the "Preference Shares") (par value of K0.01). These Preference Shares have four voting rights for every five Preference Shares held resulting in BII currently having approximately 34.8% of the total voting rights in the Company. The Preference Shares are convertible in whole or in part by BII into ordinary shares on a one-for-one basis until 16 September 2024 (the "Eighth Anniversary"), and if converted after the Eighth Anniversary, on the basis of one Preference Share into 3.0833 new ordinary shares. Should in future BII convert all of their Preference Shares on the basis of one for 3.0833 new ordinary shares, their ordinary shareholding would increase.

For so long as BII does not exercise its conversion rights and continues to hold the Preference Shares after the Eighth Anniversary, BII's voting rights will remain unchanged, with four voting rights for every five Preference Shares held, together with one vote for each ordinary share held, resulting in BII continuing to hold approximately 34.8% of the total voting rights in the Company.

The Company has the right to redeem all or part of the Preference Shares at the redemption price, which will give BII a 12% compounded annual return on their investment, subject to a minimum of USD 0.77 per Preference Share (less dividends received to date). The zero-coupon Preference Shares receive a dividend only if a dividend is paid to ordinary shareholders, and in such cases, the dividend per Preference Share will be the same as that for ordinary shares.

22 Foreign currency translation reserve

This represents the accumulated foreign exchange differences arising from the translation of foreign retail operations in Nigeria and Ghana. For the Company, the reserve arose from the translation of Mpongwe Farms which were foreign denominated up until 31 December 2021. The reserves are non-distributable.

	Group		Company	
	2023 K'000	2022 K'000	2023 K'000	2022 K'000
At start of year	692,705	720,131	687,048	697,895
Translation differences - foreign operations	(40,617)	(16,320)	-	-
Translation differences - Mpongwe Farms	-	(10,847)	-	(10,847)
Less translation difference - NCI	8,302	(259)	-	-
At end of year	660,390	692,705	687,048	687,048

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

23 Revaluation reserve

Items of property, plant and equipment are recognised at fair value based on periodic, but at least triennial valuations performed by external independent valuers, less subsequent depreciation. The reserve is used to record increments and decrements on the revaluation of non-current assets. The fair value of property, plant and equipment was revalued on 30 September 2021 by Messrs, Fairworld Properties Limited.The reserves are non-distributable to the shareholders and are recognised net of deferred income tax. Leasehold land was revalued on 30 September 2023 by Messrs, Fairworld Properties Limited.

In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
At start of year	1,113,119	1,160,653	712,279	739,522
Revaluation surplus (Note 11)	1,003,412	-	977,426	-
Excess depreciation	(53,928)	(53,928)	(30,155)	(30,155)
Deferred income tax (Note 25)	(98,516)	6,394	(97,751)	2,912
At end of year	**1,964,087**	**1,113,119**	**1,561,799**	**712,279**

24 Borrowings

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Non-Current				
Bank loans	687,679	426,222	687,679	426,222
Current				
Bank loans	321,138	173,644	321,138	173,644
Bank overdrafts	651,689	351,681	462,010	164,025
	972,827	525,325	783,148	337,669
	1,660,506	**951,547**	**1,470,827**	**763,891**

Refer to Note 29 (ii) for details on the movement in borrowings on the statement of financial position.ii)

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

24 Borrowings (continued)

i) Bank loans

Standard Chartered Bank Zambia Plc

The Group has a structured agricultural facility with an annual revolving limit. The purpose of the facility is the financing of wheat, soya beans and maize under collateral management agreements. Interest on the facility is SOFR plus 4.45 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 and is repayable in 270 days. As at the end of the reporting period, the effective interest rate was 9.77 %(2022: 7.41%).

International Finance Corporation (IFC)

During the year the Group repaid the outstanding loan and entered into an eight (8) year Kwacha loan facility with the IFC. Interest is fixed at 16 per cent per annum. 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) and is fully repayable in June 2030. The First ranking legal mortgage ranks pari passu between Absa Bank Zambia Plc . As at the end of the reporting period, the effective interest rate was 16 %.

Stanbic Bank Zambia Limited

The Group has a seasonal loan facility with an annual revolving limit. Interest on the facility is 8.5% 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 Group. The floating charge/debenture ranks pari passu between Standard Chartered Bank Zambia Plc. The loan is repayable by July 31st in respect of summer cropping and January 31st in respect of Winter Cropping.

As at the end of the reporting period, the effective interest rate was 18.5 %(2022: 17.5%).

Absa Bank Zambia Plc

The Group has an amortizing loan at an interest rate of Bank of Zambia policy rate plus 6.5%. The facility 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). The first ranking charge ranks pari passu with the International Finance Corporation (IFC) and is repayable in February 2026. As at the end of the reporting period, the effective interest rate was 16.0% (2022:15.5%).

ZANACO Plc

The Group has an amortizing five year loan facility at an interest rate of Bank of Zambia policy rate plus 6.0%. The facility is secured through a first legal mortgage over Plot no 4970 Manda road Lusaka and a floating debenture over Zambeef's assets ranking pari passu with Standard Chartered Bank, Stanbic Bank and Citibank. The loan is repayable in July 2028. As at the end of the reporting period, the effective interest rate was 16.0%.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

24 Borrowings (continued)

ii) *Bank-overdrafts*

The Group has annual revolving bank overdraft facilities held with various banks namely, Zambia National Commercial Bank, Stanbic Bank Zambia Limited, Citi Bank Zambia Limited, Standard Chartered Bank Zambia Limited and First National Bank.

Interest on the bank overdrafts are payable at, in respect of ZMW limits, the prevailing Bank of Zambia (BOZ) Monetary Policy Rate plus a liquidity premium and a margin ranging from 3.5 % to 7.5% and in respect of USD limits, the prevailing SOFR rate plus a margin ranging from 3.5% to 4%. As at the end of the reporting period, the average effective interest rate was 12.65% (2022: 8.5%).

The 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).

iii) *Compliance with loan covenants*

	Target	2023	2022
Interest cover ratio: (EBITDA/Interest charges)	>2.5	3.4	3.7
Current ratio: (Current assets/Current liabilities)	>1.3	1.3	1.8
Debt service cover ratio: (EBITDA/Debt service)	>1.5	2.7	1.53
Net debt to EBITDA ratio (Total debt- cash)/EBITDA)	<3.0	2.5	0.7
Loan to covenant value (Total debt/Total assets)	<130%	7%	10%
Liabilities to tangible net worth ratio (Total liabilities/(Equity-Goodwill-Deferred tax)	<1.0	0.6	0.5

The Group complied with the financial covenants of its borrowing facilities throughout the reporting period.

iv) *Fair value*

The fair values are not materially different from their carrying amounts.

25 Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of range of 10% to 30%% depending of the activity of the entities within the Group The movement on the deferred income tax account is as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
At start of year	223,217	235,250	140,280	138,117
Charge/(credit) in profit or loss	(19,716)	(5,639)	(17,202)	5,181
Charge/(credit) in equity	98,516	(6,394)	97,751	(3,018)
At end of year	302,017	223,217	220,829	140,280

Deferred tax assets and liabilities in each jurisdiction are offset as there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax balances where these relate to the same taxation authority.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

25 Deferred income tax (continued)

Deferred income tax assets and liabilities and deferred income tax charge/(credit) in profit or loss and equity are attributable to the following items.

	At start of year	Profit or loss	Equity	At end of year
Group	**K'000**	**K'000**	**K'000**	**K'000**
Year ended 30 September 2023				
Deferred income tax liabilities				
Property, plant and equipment	118,966	(7,655)	-	111,311
Revaluation surplus	148,692	-	97,609	246,301
Change in fair value of biological assets	31,564	8,767	-	40,331
Deferred income tax assets	-	-	-	-
Tax losses carried forward	(32,565)	(6,889)	-	(39,454)
Defined benefit obligation	(12,069)	(2,023)	907	(13,185)
Other temporary differences	(31,371)	(11,916)	-	(43,287)
	223,217	**(19,716)**	**98,516**	**302,017**
Year ended 30 September 2022				
Deferred income tax liabilities				
Property, plant and equipment	92,526	26,440	-	118,966
Revaluation surplus	155,086	-	(6,394)	148,692
Change in fair value of biological assets	35,899	(4,335)	-	31,564
Deferred income tax assets	-	-	-	-
Tax losses carried forward	(28,183)	(4,382)	-	(32,565)
Defined benefit obligation	(1,989)	(10,080)	-	(12,069)
Other temporary differences	(18,089)	(13,282)	-	(31,371)
	235,250	**(5,639)**	**(6,394)**	**223,217**
Company				
Year ended 30 September 2023				
Deferred income tax liabilities				
Property, plant and equipment	74,759	(1,983)	-	72,776
Revaluation surplus	79,151	-	97,751	176,902
Change in fair value of biological assets	26,966	8,604	-	35,570
Deferred income tax assets				
Tax losses carried forward	(27,483)	(9,076)	-	(36,559)
Defined benefit obligation	(3,166)	(175)	-	(3,341)
Other temporary differences	(9,947)	(14,572)	-	(24,519)
	140,280	**(17,202)**	**97,751**	**220,829**
Year ended 30 September 2022				
Deferred income tax liabilities				
Property, plant and equipment	57,281	17,478	-	74,759
Revaluation surplus	82,169	-	(2,912)	79,257
Change in fair value of biological assets	30,795	(3,829)	-	26,966
Deferred income tax assets				
Tax losses carried forward	(18,290)	(9,193)	-	(27,483)
Defined benefit obligation	(1,415)	(1,751)	(106)	(3,272)
Other temporary differences	(12,423)	2,476	-	(9,947)
	138,117	**5,181**	**(3,018)**	**140,280**

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

26 Defined benefit obligations

The Group awards terminal benefits to its employees upon retirement. This scheme is unfunded, and the 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.

The regulator, Pensions and Insurance Authority, does not regulate gratuity schemes such as this one. However, entities that provide an additional and separate unfunded gratuity in their annual financial statements should operate within the governing covenants and agreements with employee representative bodies. Taxation of this scheme falls under the framework and administration of this arrangement, including decisions as to whether to prefund the benefit costs, or amend the arrangement design.

The Group's accrued liability in respect of each employee is the present value of the benefits in respect of service completed to the valuation date but based on projected earnings to retirement or date of payment. The total accrued liability (or the required provision) at the valuation date is a summation of the accrued liability in respect of each employee.

i) *Amounts recognised in statement of financial position*

The amounts recognised in the statement of financial position and the movements in the net defined benefit obligation over the year are as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
At start of year	3,654	8,891	366	2,124
Current service cost	70	168	39	56
Past service cost	213	598	118	201
Interest cost	348	519	193	174
Amount recognised in profit or loss	631	1,285	350	431
Actuarial remeasurements			-	-
Change in demographic assumptions	-	-	-	-
Change in financial assumptions	(580)	-	(321)	-
Early settlement (gains)/losses	700	2,895	509	972
Experience adjustment	648	255	236	86
Amount recognised in equity	768	3,150	424	1,058
Benefit payments	(3,422)	(9,672)	(238)	(3,247)
Per statement of financial position	1,631	3,654	902	366
Present value of unfunded obligation	1,631	3,654	902	366

ii) *Actuarial assumptions*

The significant actuarial assumptions in 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:

	Group		Company	
	2023	2022	2023	2022
Discount rate	28%	27%	28%	27%
Salary growth rate	14%	20%	14%	20%

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

26 Defined benefit obligations (continued)

ii) Actuarial assumptions (continued)

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in the local environment. These assumptions translate into an average life

	Probability of reaching retirement age in service			
	Group		Company	
	2023	2022	2023	2022
Average life expectancies:				
25 years of age at reporting date	47%	47%	47%	47%
30 years of age at reporting date	57%	57%	57%	57%
35 years of age at reporting date	66%	66%	66%	66%
40 years of age at reporting date	72%	72%	72%	72%
45 years of age at reporting date	78%	78%	78%	78%
50 years of age at reporting date	86%	86%	86%	86%

iii) Risk exposure

The Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

The plan liabilities are calculated using a discount rate set with reference to Zambian government bond yields. A decrease in government bond yields will increase the plan liabilities.

Changes in salaries

The plan benefits are calculated with reference to employees' salaries. An increase in salaries will increase the plan liabilities. This risk becomes higher as the expectations of short-term inflation rise increase, due to the weakened strength of the Zambian Kwacha against other currencies.

Life expectancy

The plans' obligations are to provide benefits for the life of the member. Therefore, increases in life expectancy will result in an increase in the plans' liabilities.

Liquidity

The plan is unfunded and therefore there is a risk that resources may not be available when needed to pay the benefits as they fall due.

iv) Sensitivity

The sensitivity analysis is based on changes in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in at end of the reporting period.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

26 Defined benefit obligations (continued)

iv) Sensitivity (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation			
	Group		Company	
	2023	2022	2023	2022
Change in assumption	K'000	K'000	K'000	K'000
Discount rate (-1%)	60	215	33	108
Salary growth rate (+1%)	71	234	39	117
life expectancy (-1 year)	(846)	867	(423)	469

The scheme does not have any assets and therefore benefits are met as they become due. The weighted average duration of the defined benefit obligation is 9.4 years (2022: 12.1 years).

v) Maturity analysis

The expected maturity analysis of undiscounted pension benefits is as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Within 1 year	-	-	-	-
Between 1 - 2 years	-	-	-	-
Between 2 - 5 years	1,113	203	275	21
Over 5 years	518	3,451	1,889	345
	1,631	3,654	2,164	366

27 Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Trade payables	432,668	344,186	223,190	166,173
Amounts due to related parties (Note 31)	-	-	390,103	-
Gratuity and leave pay accruals	117,538	126,962	64,807	82,565
Legal and other related claims	68,977	107,901	68,977	107,901
Statutory liabilities	21,428	26,566	7,303	6,041
Other payables	193,580	43,958	131,646	5,134
	834,191	649,573	886,026	367,814

Trade payables are unsecured and are usually paid within 30 days of recognition. Gratuity and leave pay provisions are paid as and when they fall due but mainly in December at the end of employee contracts. Legal and other claim are paid within 3 months average of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

28 Contract liabilities

Contract liabilities relate to advance payments received from customers on grain, day-old chicks, stockfeed and other related products. The Group has recognised the following liabilities related to contracts with customers:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
At start of year	97,400	119,206	97,400	94,485
Revenue recognised from opening liability	(97,400)	(119,206)	(97,400)	(94,485)
Receipts from customer at year end	164,063	97,400	94,976	97,400
At end of year	164,063	97,400	94,976	97,400

During the year, there was no revenue recognised from performance obligations satisfied in previous periods (2022: Nil). Contract liabilities increased due to the negotiation of larger prepayments and an increase in overall contract activity. All revenue streams under contract liabilities are for periods of one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

29 Cash generated from operations

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Profit/(loss) before income tax from:				
Continuing operations	203,673	55,164	17,381	(75,830)
Discontinued operations (Note (20(i)	(10,604)	44,108	(10,604)	44,108
	193,069	99,272	6,777	(31,722)
Adjustments for:				
Changes in employee benefits (Note 26(i))	631	1,285	350	431
Interest expense on leases (Note 8)	2,462	1,813	1,312	784
Exchange gains on leases (Note 8)	1,846	(353)	1,680	(346)
Interest expense on borrowings (Note 8)	44,646	53,473	44,646	53,473
Exchange gains on borrowings (Note 8)	18,812	(3,188)	18,812	(3,188)
Loss/(gain) on disposal of assets (Note 6)	7,756	29,386	(1,040)	21,772
Depreciation on fixed assets (Note 11)	159,604	111,091	73,881	47,197
Depreciation on right of use assets (Note 12(a))	6,095	10,991	-	9,368
Depreciation on assets held for sale (Note 20 (ii))	6,911	459	6,911	459
Share of loss of associate (Note 15(ii))	2,595	3,503	2,595	3,503
Impairment of goodwill (Note 13)	-	141,786	-	-
Impairment of investment in subsidiaries (Note 14)	-	-	-	141,786
Change in fair value of biological assets (Note 16)	(643,197)	(349,462)	(568,975)	(338,052)
Foreign exchange differences	(33,270)	2,028	2,984	14,932
Changes in working capital:				
Biological assets*	555,495	387,763	482,870	376,347
Inventories	(214,575)	(244,066)	(126,810)	(204,695)
Trade and other receivables	(43,403)	(51,022)	(490,922)	85,739
Trade and other payables	184,618	135,370	518,212	(27,678)
Contract liabilities	66,663	(21,806)	(2,424)	2,915
Cash generated from operations	316,758	308,323	(29,141)	153,025

*The movement in biological assets excludes the change in fair value of biological assets already adjusted for.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

29 Cash flow information (continued)

ii) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Cash and cash equivalents (Note 19)	271,222	223,973	209,854	136,149
Bank loans (Note 24)	(1,008,817)	(599,866)	(1,008,817)	(599,866)
Bank overdrafts (Note 24)	(651,689)	(351,681)	(462,010)	(164,025)
Lease liabilities (Note 12(b))	(22,070)	(17,643)	(13,691)	(10,232)
	(1,411,354)	(745,217)	(1,274,664)	(637,974)

Group	Liabilities from financing activities		Net Cash/ (Bank-over-drafts)	Total
	Bank loans	Leases		
2022	**K'000**	**K'000**	**K'000**	**K'000**
At start of year	(406,264)	(19,671)	(288,665)	(714,600)
Additions	(722,995)	(13,290)	160,957	(575,328)
Interest charged	(53,473)	(1,813)	(63,252)	(118,538)
Principal repayments	526,205	14,965	-	541,170
Interest paid	53,473	1,813	63,252	118,538
Foreign exchange gains	3,188	353	-	3,541
At end of year	**(599,866)**	**(17,643)**	**(127,708)**	**(745,217)**
2022				
At start of year	(599,866)	(17,643)	(127,708)	(745,217)
Additions	(916,396)	(9,900)	(252,759)	(1,179,055)
Interest charged	(44,646)	(2,676)	(87,323)	(134,645)
Principal repayments	526,257	7,319	-	533,576
Interest paid	44,646	2,676	87,323	134,645
Foreign exchange gains	(18,812)	(1,846)	-	(20,658)
At end of year	**(1,008,817)**	**(22,070)**	**(380,467)**	**(1,411,354)**
Company				
2022				
At start of year	(406,264)	(8,470)	(193,224)	(607,958)
Additions	(722,995)	(9,430)	165,436	(566,989)
Interest charged	(53,473)	(784)	(36,752)	(91,009)
Principal repayments	526,205	7,322	-	533,527
Interest paid	53,473	784	36,752	91,009
Foreign exchange gains	3,188	346	(88)	3,446
At end of year	**(599,866)**	**(10,232)**	**(27,876)**	**(637,974)**
2023				
At start of year	(599,866)	(10,232)	(27,876)	(637,974)
Additions	(916,396)	(7,793)	(224,280)	(1,148,469)
Interest charged	(44,646)	(1,312)	(57,471)	(103,429)
Principal repayments	526,257	6,016	-	532,273
Interest paid	44,646	1,312	57,471	103,429
Foreign exchange gains	(18,812)	(1,682)	-	(20,494)
At end of year	**(1,008,817)**	**(13,691)**	**(252,156)**	**(1,274,664)**

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

30 Earnings per share (EPS)

	Group		Company	
	2023	2022	2023	2022
	Ngwee	Ngwee	Ngwee	Ngwee
Basic earnings per share				
Continuing operations	42.99	(3.51)	0.56	(34.46)
Discontinued operations	(3.53)	13.21	(3.53)	13.21
Total basic earnings per share	39.46	9.70	(2.97)	(21.25)
Diluted earnings per share				
Continuing operations	32.25	(2.63)	0.42	(25.85)
Discontinued operations	(2.65)	9.91	(2.65)	9.91
Total diluted earnings per share	29.60	7.28	(2.23)	(15.94)

i) *Reconciliations of earnings used in calculating earnings per share*

Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share is as follows:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Continuing operations	129,217	(10,545)	1,677	(103,629)
Discontinued operations	(10,604)	39,697	(10,604)	39,697
	118,613	29,152	(8,927)	(63,932)

ii) *Weighted average number of shares used as the denominator*

	2023	2022
	shares	shares
Ordinary shares used in calculating basic EPS	300,579,630	300,579,630
Preferences shares	100,057,658	100,057,658
Total weighted average shares used in calculating diluted EPS	400,637,288	400,637,288

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

31 Related party transactions

The Group is listed on the Lusaka Stock Exchange (LuSE) and has various shareholders. There is no ultimate controlling parent entity. The major shareholder, British International Investment (BII) Plc which has 17.5% shareholding, is also the holder of 100,057,658 convertible redeemable preference shares. These shares have four voting rights for every five preference shares held resulting in BII having 34.8% of the voting rights.

Name	Type	Place of incorporation	Ownership interest	
			2021	2020
BII plc	Major shareholder	London	17.5%	17.5%

i) ***Subsidiaries***

Interests in subsidiaries are set out in Note 14.

ii) ***Key management personnel compensation***

Key management includes Directors (executive and non-executive) and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Short-term employee benefits	169,253	141,028	136,450	106,453
Retirement benefit cost - NAPSA	955	796	748	584
	170,208	141,824	137,198	107,037

iii) ***Transactions with other related parties***

The following transactions occurred with related parties:

	Group		Company	
	2023	2022	2023	2022
	K'000	K'000	K'000	K'000
Sales of:				
Animal feed and bran	-	-	-	188
Beef products	-	-	1,510,425	1,276,861
Poultry products	-	-	608,374	214,169
Pork products	-	-	68,497	51,375
	-	-	2,187,296	1,542,593
Purchases of:				
Beef products	-	-	7,236	5,988
Poultry products	-	-	69,604	33,858
Pork products	-	-	3,001	2,894
Distribution services	-	-	3,042	-
			82,883	42,740

The Group sales and purchases transactions are with Director owned companies while for the Company, the transactions are made with fellow subsidiaries.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2023

31 Related party transactions (continued)

iv) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	Group		Company	
Receivables from:	**2023**	**2022**	**2023**	**2022**
	K'000	**K'000**	**K'000**	**K'000**
Subsidiaries:				
Zamleather Limited	-	-	89,997	73,506
Master Meat Nigeria Limited	-	-	73,552	64,168
Master Meat Ghana Limited	-	-	1,787	3,515
Zamhatch Limited	-	-	512,400	250,766
Masterpork Limited	-	-	199,227	102,727
Zambeef Retailing Limited	-	-	-	102,100
Zamchick Limted	-	-	250,666	80,352
Common directorship:			-	-
Java Foods	199	-	426	-
Associates:			-	-
Zampalm Limited	3,049	3,123	2,345	2,419
	3,248	3,123	1,130,400	679,553
Payables to:				
Subsidiary				
Zambeef Retailing Limited	-	-	390,103	-
Loans receivable				
At start of year	-	-	67,386	70,474
Loans advanced	-	-	-	667
Foreign exchange gains	-	-	16,746	-
Loan repayments received	-	-	(8,793)	(3,458)
	-	-	75,339	67,683

The loans receivable relates to amounts advanced to foreign subsidiaries in Nigeria of K73 million (2022: K64 million) and Ghana of K1.8 million (2022: K3.5 million) for the purposes working capital requirements. The loans are insecure, payable on demand and interest free.

v) Directors' remuneration

	2023	**2022**
	K'000	**K'000**
Non-executive Director fees	3,205	3,267
Executive Director salaries and short-term emoluments	13,171	10,352
Retirement benefit costs – NAPSA contributions	32	29
	16,408	13,648

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2023

32 Contingencies

The Group is party to various legal cases whose outcome is dependent on the conclusion of the Zambian judicial process. Management makes estimates for the outcomes of these cases based on professional advice. There are some cases where, based on professional advice received, the directors have not made any provision.

The value of potential claims against the Group that would likely result in an unfavourable outcome as at 30 September was nil (2022: Nil).

33 Commitments

i) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities was K83.6 million (2022: K44.6 million).

ii) Operating commitments

Contractual obligation for future purchase of raw materials not recognised as a liability was K363.9 million (2022: K11.896 million).

34 Events occurring after the reporting period

As at the end of the financial period and date of this report, the Directors are not aware of any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect substantially the operations of the Group, the results of its operations or financial position of the Group in subsequent financial years.

In the year under review the Board approved Group Restructuring, the shareholders were accordingly notified on 20th September 2023. The restructuring which was effective 1st October 2023 is expected to be concluded by 31st March 2024.

The group restructuring (the "Group Restructuring") is aimed at rationalising the Group's operations across its six Zambian entities. The group is expected to benefit from the restructuring as it will eliminate unnecessary complexities and duplications of its business processes across the six different entities, which ultimately have the same key decision-makers, processes, ownership and senior executive team.


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Supplementary Information - presented in USD (unaudited)

Statement of Profit or Loss and Other Comprehensive Income

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Revenue from contracts with customers	331,478	314,014	185,549	195,659
Change in fair value of biological assets	35,263	18,567	31,194	17,903
Cost of sales of providing goods	(265,685)	(237,518)	(167,044)	(162,734)
Gross profit	**101,056**	**95,063**	**49,699**	**50,828**
Other income/(expenses)	(2,545)	145	(1,892)	1,008
Net impairment losses on financial assets	(149)	(1,040)	(97)	(458)
Impairment of goodwill	-	(8,253)	-	(8,253)
Distribution expenses	(5,279)	(3,818)	(71)	(3,907)
Administrative expenses	(73,272)	(71,989)	(40,651)	(38,337)
Operating profit	**19,811**	**10,108**	**6,988**	**881**
Share of loss from equity investment	(142)	(204)	(142)	(204)
Finance income/(expenses)	(1,133)	206	(222)	206
Finance costs	(7,370)	(6,900)	(5,670)	(5,297)
Profit before income tax	**11,166**	**3,210**	**954**	**(4,414)**
Income tax expense	(3,994)	(3,684)	(861)	(1,618)
(Loss)/profit from continuing operation	7,172	(474)	93	(6,032)
Profit from asset held for sale	(581)	2,311	(581)	2,311
Profit for the year	**6,591**	**1,837**	**(488)**	**(3,721)**
Profit attributable to:				
Owners of Zambeef Products PLC	6,503	1,696	(488)	(3,721)
Non-controlling interests	88	141	-	-
	6,591	1,837	(488)	(3,721)
Other comprehensive income:				
Items that maybe reclassified to profit or loss				
Translation losses on foreign operations	(2,227)	(946)	-	-
Translation losses on Mpongwe Farms	-	(631)	-	(631)
Items not reclassified to profit or loss				
Revaluation surplus	55,012	-	53,587	-
Actuarial remeasurement losses	(42)	(183)	(23)	(62)
Deferred income tax	(5,401)	368	(5,359)	176
Other comprehensive income for the year	47,342	(1,392)	48,205	(517)
Total comprehensive income for the year	**53,933**	**445**	**47,717**	**(4,238)**

Statement of Profit or Loss and Other Comprehensive Income (continued)

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Total comprehensive income for the period is attributable to:				
Owners of Zambeef Products Plc	54,300	289	47,717	(4,238)
Non-controlling interests	(367)	156	-	-
	53,933	445	47,717	(4,238)
Basic earnings per share				
Continued operations	2.36	(0.19)	0.03	(2.01)
Discontinued operations	(0.19)	0.77	(0.19)	0.77
Total basic earnings per share	2.17	0.58	(0.16)	(1.24)
Diluted earnings per share				
Continued operations	1.77	(0.15)	0.02	(1.50)
Discontinued operations	(0.15)	0.58	(0.15)	0.58
Total diluted earnings per share	1.62	0.43	(0.13)	(0.92)

Consolidated Statement of Financial Position

	30-Sept-23	30-Sept-22
ASSETS	**US$'000**	**US$'000**
Non-current assets		
Property, plant and equipment	229,236	198,393
Right of use assets	-	2,050
Goodwill	1,190	1,583
Investment in associate	1,635	2,340
Biological assets	5,869	5,480
	237,930	209,846
Current assets		
Biological assets	13,560	14,817
Inventories	78,805	91,260
Trade and other receivables	15,828	18,310
Cash and cash equivalents	12,903	14,175
Assets classified as held for sale	7,500	10,765
	128,596	149,327
Total assets	**366,526**	**359,173**
EQUITY		
Share capital	449	449
Share premium	185,095	185,095
Preference share capital	100	100
Foreign currency translation reserve	49,843	42,945
Revaluation reserve	51,360	65,256
Retained earnings	(64,023)	(60,091)
Attributable to owners of parent entity	222,824	233,754
Non-controlling interests	(315)	4
	222,509	233,758
LIBILITIES		
Non-current liabilities		
Borrowings	32,715	26,976
Lease liabilities	743	797
Deferred income tax	14,368	14,128
Defined benefit obligations	78	231
	47,904	42,132
Current liabilities		
Borrowings	46,281	33,248
Lease liabilities	307	319
Trade and other payables	39,686	41,113
Contract liabilities	7,805	6,165
Current income tax	2,034	2,438
	96,113	83,283
Total equity and liabilities	**366,526**	**359,173**

Company statement of Financial Position

	30-Sept-23	30-Sept-22
ASSETS	**US$'000**	**US$'000**
Non-current assets		
Property, plant and equipment	171,046	136,584
Right of use assets	-	1,493
Investment in subsidiaries	4,949	6,584
Investment in associate	1,635	2,340
Biological assets	5,869	5,481
	183,499	152,482
Current assets		
Biological assets	11,056	11,586
Inventories	52,544	61,878
Trade and other receivables	60,771	49,780
Cash and cash equivalents	9,984	8,617
Assets classified as held for sale	7,500	10,765
Current income tax asset	-	-
	141,855	142,626
Total assets	**325,354**	**295,108**
EQUITY		
Share capital	449	449
Share premium	185,095	185,095
Preference share capital	100	100
Foreign currency translation reserve	42,945	39,096
Revaluation reserve	65,256	45,081
Retained earnings	(96,968)	(62,986)
	196,877	206,835
LIABILITIES		
Non-current liabilities		
Lease liabilities	352	339
Borrowings	32,715	26,976
Deferred income tax	10,506	8,879
Defined benefit obligations	43	23
	43,616	36,217
Current liabilities		
Lease liabilities	299	309
Borrowings	37,257	21,371
Trade and other payables	42,152	23,282
Contract liabilities	4,518	6,165
Current income tax	635	929
	84,861	52,056
Total equity and liabilities	**325,354**	**295,108**


ZAMBEE

29TH 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 29th Annual General Meeting of the members of the company will be held virtually ***(https://eagm.creg.co.zw/EAGM/Login.aspx)*** on Friday, December 29th 2023 at 10:00 hours; in respect of the year ended 30 September 2023.

AGENDA

1. Minutes of the previous meeting

To receive and note the minutes of the 28th Annual General Meeting held on 27 December 2022 duly approved by the Chairman in accordance with the Companies Act.

2. Ordinary Resolutions

Ordinary Resolution No. 1

To receive adopt and approve the reports of the Directors, the Auditors, and the Financial Statements for the year ended September 30, 2023

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

4. Ordinary Resolutions to Confirm the Newly Appointed Directors

To confirm the appointment of Mr. Muyangwa Muyangwa who was appointed by the board as a director with effect from 21 April 2023 and Dr John Rich who was appointed by the board as director with effect from 21 June 2023.

4.1.1 Ordinary Resolution No. 2. Mr. Muyangwa Muyangwa

4.1.2 Ordinary Resolution No. 3. Dr John Rich

Ordinary Resolutions to Re-election of Directors Retiring by Rotation

To re-elect each of Messrs Michael Mundashi SC and Jonathan Kirby who retire by rotation in terms of the Companies Act, and who, being eligible, offer themselves for re-election.

4.1.3 Ordinary Resolution No. 4. Mr Michael Mundashi SC

4.1.4 Ordinary Resolution No. 5. Mr Jonathan Kirby

The board recommends their re-election to shareholders. Their details are set out in the Annual Report.

4.2 Ordinary Resolution No. 6: Approval of Directors' Fees

To approve the annual fees payable by the company to the Non-Executive Directors, for the year ending 30 September 2023, unless otherwise determined by the company in a general meeting, to be revised by 10% as follows:

- from K572 000 to K629 200 for a Board member;
- from K 638 000 to K701 800 for a Board member and Committee Chairperson
- from K1 012 000 to K 1 113 200 for the Board Chairman.

4.3 Ordinary Resolution No. 7: Re-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 re-appointed as the company's independent registered auditor for the financial year ending 30 September 2023 and to authorise the Directors to determine their remuneration.

5. Non - Declaration of Final Dividend

Due to the expansion program announced in the year, the Directors recommend that no dividend be paid for the financial year ended September 2023.

It is noted that in terms of the company's Articles, the company may only declare a dividend if the directors have recommended a dividend.

6 Other business

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

A member entitled to attend and vote at the meeting is entitled to appoint any person (whether a member of the Company or not) to attend, speak and vote in his/her stead. Proxy forms are obtainable from the Company Secretary or at the Transfer Secretaries offices. The forms must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the AGM.

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
Mobile No : +260 950968435
Email: - info@corpservezambia.com.zm

By Order of the Board

Mwansa M Mutimushi
COMPANY SECRETARY

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 the 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 48 hours.

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 Webinar" to begin following video and audio transmission of the meeting proceedings.
- Click "Join with Computer Audio" to attend the live meeting

MINUTES OF THE 28TH ANNUAL GENERAL MEETING OF MEMBERS HELD ON 27 DECEMBER, 2022 AT 10:00 HOURS AT THE RADISSON BLU HOTEL, LUSAKA AND FROM VARIOUS LOCATIONS VIRTUALLY

1 PRESENT

DIRECTORATE:

Michael Mundashi (Chairman), Faith Mukutu (Chief Executive Officer), Roman Frenkel, Pearson Gowero and Mboo Mumba (Chief Financial Officer).

SECRETARY:

Mwansa Mutimushi

(Lists of members present as attached)

2 CALL TO ORDER / QUORUM

A quorum having been met, the meeting was called to order at 10:00 hours.

3 APOLOGIES FOR ABSENCE

Apologies for absence were recorded for Jonathan Kirby and Monica Musonda

4 AGENDA

The notice and agenda were adopted as presented.

5 MINUTES OF THE PREVIOUS MEETING

The minutes of the Annual General Meeting of 21 December, 2021 were noted.

6 MATTERS ARISING

No matters arose for discussion from the minutes of the previous meeting.

7 THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The directors' report, the auditor's report and annual financial statements for the year ended 30 September 2022 were presented.

It was resolved that the directors' report and financial statements for the year ended 30 September 2022 be approved and adopted and that all matters undertaken and discharged by the directors on behalf of the company be confirmed.

8 RE- ELECTION OF DIRECTORS

It was resolved that to re-elect as directors Messer's Roman Frenkel, Pearson Gowero and Ms Katebe Monica Musonda who retired by rotation and offered themselves for re-election.

9 APPROVAL OF DIRECTORS' FEES

The recommendation to revise the fees payable to directors by 10% upwards was presented to the meeting.

CHAIRMAN

SECRETARY

Dated this 16 day of February 2023

27 DECEMBER 2022 AGM ATTENDANCE REGISTER

1) Proxies

Name	Proxy	Shares Held	%
STANDARD CHARTERED ZAMBIA SECURITIES SERVICES NOMINEES LTD	MR MICHAEL MUNDASHI	52,601,435	17.50
NATIONAL PENSION SCHEME AUTHORITY	MR UTEMBELE SIMWINGA	24,797,819	8.25
SATURNIA REGNA PENSION TRUST FUND	MUMBA MUSUNGA	13,961,011	4.64
ZAMBIA SUGAR PENSION TRUST -SCHEME	MUMBA MUSUNGA	3,968,349	1.32
STANBIC BANK PENSION TRUST FUND	MUMBA MUSUNGA	3,702,160	1.23
ZANACO PLC DC PENSION SCHEME	MUMBA MUSUNGA	2,237,931	0.74
STANBIC NOMINEES-MPILE LOCAL EQUITY FUND	MINTU CHITEBE	2,157,475	0.72
KCM PENSION TRUST SCHEME	MUMBA MUSUNGA	1,505,824	0.50
ZAMBIAN BREWERIES PLC PENSION TRUST SCHEME	MUMBA MUSUNGA	1,309,699	0.44
BARCLAYS BANK STAFF PENSION TRUST FUND	MUMBA MUSUNGA	1,238,829	0.41
BARCLAYS BANK ZAMBIA STAFF PENSION FUND-PPMZ	MUKUPA MWELWA	1,238,828	0.41
STANDARD CHARTERED BANK PENSION TRUST FUND	MUMBA MUSUNGA	1,108,671	0.37
LAFARGE CEMENT ZAMBIA PLC PENSION TRUST SCHEME	MUMBA MUSUNGA	1,017,190	0.34
AIRTEL ZAMBIA STAFF PENSION FUND	MUMBA MUSUNGA	997,466	0.33
LUBAMBE COPPER MINES PENSION TRUST SCHEME	MUMBA MUSUNGA	909,222	0.30
BUYANTANSHI PENSION TRUST FUND	MUMBA MUSUNGA	866,334	0.29
ZRA PENSION TRUST SCHEME	MUMBA MUSUNGA	777,025	0.26
PICZ PENSION TRUST-MONEY PURCHASE	MUKUPA MWELWA	616,160	0.20
CEC PENSION TRUST SCHEME	MUMBA MUSUNGA	563,950	0.19
GOLDEN SUNSET PENSION FUND	MUMBA MUSUNGA	521,075	0.17
SANDVIC MINNING PENSION SCHEME	MUMBA MUSUNGA	493,562	0.16
WORKCOM PENSION TRUST SCHEME	MUMBA MUSUNGA	378,729	0.13
GAME STORES PENSION TRUST SCHEME	MUMBA MUSUNGA	317,432	0.11
HEALTH SECTOR GRANT AIDED INSTITUTIONS PENSION SCHEME	MUMBA MUSUNGA	257,330	0.09
INDENI PENSION TRUST SCHEME	MUMBA MUSUNGA	226,124	0.08
NATIONAL BREWERIES PENSION TRUST SCHEME	MUMBA MUSUNGA	202,112	0.07
PSPF STAFF PENSION SCHEME	MUMBA MUSUNGA	199,704	0.07
SUN INTERNATIONAL PENSION TRUST SCHEME	MUMBA MUSUNGA	194,913	0.06
ZAMBIA REVENUE AUTHORITY PENSION TRUST SCHEME	MUKUPA MWELWA	186,900	0.06
STANBIC BANK ZAMBIA NOMINEES	MINTU CHITEBE	178,571	0.06
RAIL SYSTEMS OF ZAMBIA	MUKUPA MWELWA	175,160	0.06
AFRICA 53	MUKUPA MWELWA	172,836	0.06
EXAMINATIONS COUNCIL OF ZAMBIA	MUKUPA MWELWA	171,877	0.06
DELOITTE AND TOUCH PENSION TRUST SCHEMD	MUMBA MUSUNGA	165,807	0.06
PRUDENTIAL LIFE ASSURANCE ZAMBIA LIMITED	MUKUPA MWELWA	154,460	0.05
ECOBANK ZAMBIA LIMITED PENSION TRUST SCHEME	MUMBA MUSUNGA	154,259	0.05
SCZ INTERNATIONAL LTD PENSION TRUST	MUMBA MUSUNGA	141,503	0.05
FINANCE BANK	MUKUPA MWELWA	137,931	0.05
OCTAGON UMBRELLA TRUST FUND	MUMBA MUSUNGA	131,371	0.04

1) Proxies (continued)

ZAMBIA NATIONAL BUILDING SOCIETY	MUKUPA MWELWA	110,266	0.04
NATITONAL INSTITUTE FOR SCIENTIFIC AND INDUSTRIAL RESARCH	MUMBA MUSUNGA	100,179	0.03
ACCESS BANK ZAMBIA LIMITED PENSION SCHEME	MUMBA MUSUNGA	87,409	0.03
TOYOTA ZAMBIA	MUKUPA MWELWA	65,808	0.02
WORKCOM TRUST PENSION SCHEME PPMZ	MUKUPA MWELWA	59,198	0.02
MULTICHOICE PENSION SCHEME	MUKUPA MWELWA	50,334	0.02
BUYANTANSHI PENSION TRUST FUND	MUKUPA MWELWA	47,393	0.02
ZAMBEZI RIVER AUTHORITY	MUKUPA MWELWA	40,600	0.01
ZRL PENSION TRUST SCHEME	MUMBA MUSUNGA	39,504	0.01
STANBIC NOMINEES LTD	MINTU CHITEBE	18,395	0.01
STANBIC NOMINEES ZAMBIA LIMITED	MINTU CHITEBE	14,844	0.00
LUSAKA TRUST PENSION SCHEME	MUKUPA MWELWA	14,558	0.00
FINAL SALARY	MUKUPA MWELWA	13,790	0.00
CEC PESION TRUST SCHEME	MUKUPA MWELWA	8,542	0.00
SANLAM LIFE INSURANCE (Z) LTD	MUMBA MUSUNGA	4,550	0.00
STANBIC BANK ZAMBIA NOMINEES	MINTU CHITEBE	900	0.00
STANBIC NOMINEES ZAMBIA LIMITED	MINTU CHITEBE	3	0.00
TOTAL		120,813,307	40.19

2) Attendees - Shareholders

Name	Proxy	Shares Held	%
GULATI SATISH K. & PRABHA M.		10,105	0.00
ISAIAH TONGA		2,000	0.00
SHAWA BERNARD		1,500	0.00
PALIJALA ZULU		700	0.00
CHIPIMPA KAJOBA		447	0.00
ROBERT CHARLES PHIRI		263	0.00
PULE MWANSA		200	0.00
THOKOZILE MVULA		197	0.00
EMMANUEL BANDA		189	0.00
VERNON LONGWANI		100	0.00
JOSHUA MBAO		30	0.00
TOTAL		15,731	0.01

3) Attendees - Non Shareholders

Name	Representing	Count
MATAKA NKHOMA	AUTUS SECURITIES LTD	1
JOSEPH SIMATE	AUTUS SECURITIES LTD	2
HOPE Z KUMWENDA	CORPSERVE ZAMBIA	3
JAMES NDHLOVU	CORPSERVE ZAMBIA	4
PRISCA CHIZI	CORPSERVE ZAMBIA	5
JOSEPH PHIRI	CORPSERVE ZAMBIA	6
CHANDA MUTONI	ENGOMA SOLUTIONS LIMITED	7
MIRIA MAZYAMBE	LUSAKA SECURITIES EXCHANGE	8
ANDREW CHIBUYE	PRICEWATERHOUSECOOPERS (PWC)	9
LUCY NAMUCHIMBA	SECURITIES AND EXCHANGE COMMISSION ZAMBIA	10
MRS GRACE C BULAYA	STANBIC BANK Z LIMITED	11
MCHEMA CHINZEWE	STOCKBROKERS ZAMBIA LTD	12
LEWIS MOSHO	STOCKBROKERS ZAMBIA LTD	13
VICTORIA KAWONGA	STOCKBROKERS ZAMBIA LTD	14
MWANSA MUTIMUSHI	ZAMBEEF PRODUCTS PLC	15
PEARSON GOWERO	ZAMBEEF PRODUCTS PLC	16
MIKE LOVETT	ZAMBEEF PRODUCTS PLC	17
ROMAN FRENKEL	ZAMBEEF PRODUCTS PLC	18
MBOO MUMBA	ZAMBEEF PRODUCTS PLC	19
FAITH MUKUTU	ZAMBEEF PRODUCTS PLC	20

Products PLC

FORM OF PROXY

For the 29th Annual General Meeting

I/We ____

(Name/s in block letters)

of ____ (address)

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

Number of votes

1. ______________________ of __________________ or in his absence [__________]

(1 share = 1 vote)

2. ______________________ 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 General Meeting of the company to be held virtually on Friday, December 29th 2023 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, 2023			
2	Confirmation of Directors Mr. Muyangwa Muyangwa			
3	Confirmation of Directors Dr. John Rich			
4	Re-election of Directors Mr. Michael Mundashi SC			
5	Re-election of Directors Mr. Jonathan Kirby			
6.	To approve the annual fees payable by the company to the Non-Executive Directors, for the year ending 30 September 2024, unless otherwise determined by the company in a general meeting, to be revised by 10%			
7.	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 ______________ 2023

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.

   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

Notes

Notes


Feeding the Nation
ZAMBEEF
Products PLC