Feeding the Nation

ZAMBEEF

Products PLC

ANNUAL REPORT 2022

CONTENTS

Zambeef at a Glance

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

It is involved in the primary production, processing, distribution and retailing of beef, chicken, pork, 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 Purpose

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 Food Production

Zambeef's products are retailed through 223 outlets (2021: 207) directly to end-consumers, in a value-added form, either through the Zambeef concession agreement to operate Shoprite's in-store butcheries (41 in 2022; 41 in 2021) or through Zambeef's own retail and wholesale distribution network in Zambia (182 in 2022; 165 in 2021).

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 3,410 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 (2021: 157) in addition to Zambeef retail outlets.

- One of the largest row cropping operations in Zambia.
- In winter Zambeef plants 6191Ha and a total 14,848ha is planted in Summer. Due to double cropping of irrigated land the total area planted annually is 21,039 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.

History & Key Milestone

1

1994
Zambeef Products Ltd. incorporated with 60 staff, a rented abattoir & 2 butcheries, delivering 180 beef cattle per month in 3 land rovers

2

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

3

1996
Acquired Huntley Farm (abattoir and feedlot)

4

2003
Listed on Lusaka Stock Exchange.

5

2004
Acquired Sinazongwe Farm, Shoprite expansion into Nigeria & Ghana

6

2005
Sinazongwe Abattoir built

7

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

8

2009
Zampalm and Novatek Animal Feeds established

9

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

10

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

11

2015
Disposal of Zamanita Ltd to Cargill for US$26million

12

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

13

2017
Commissioning of US$30million hatchery and stockfeed mill at Mpongwe Farm

14

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

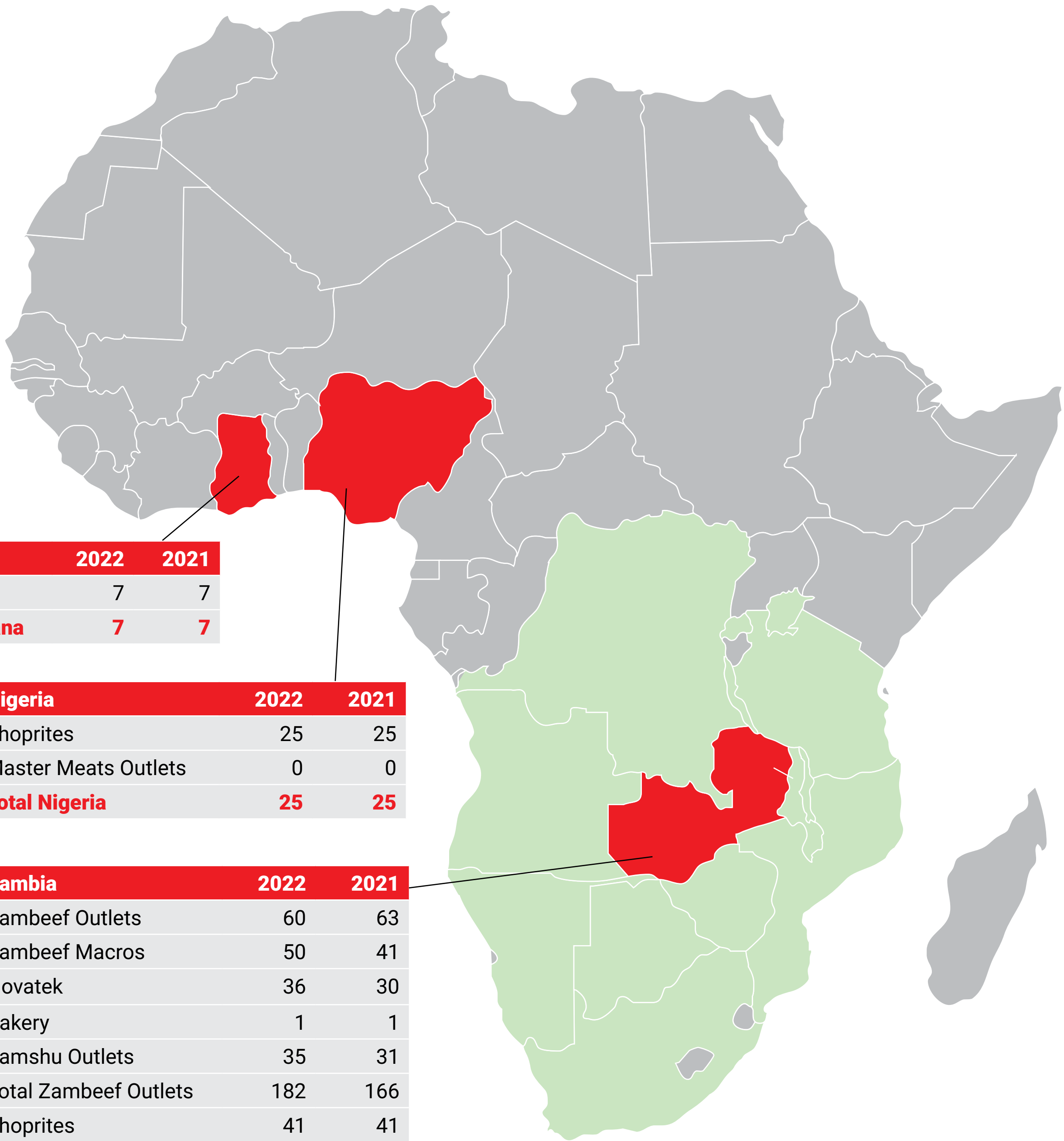
15

2020
Disposal of Sinazongwe Farm for US$10million

16

2022
USD$100 million major expansion plan

Feeding a growing region



Ghana	2022	2021
Shoprites	7	7
Total Ghana	**7**	**7**

Nigeria	2022	2021
Shoprites	25	25
Master Meats Outlets	0	0
Total Nigeria	**25**	**25**

Zambia	2022	2021
Zambeef Outlets	60	63
Zambeef Macros	50	41
Novatek	36	30
Bakery	1	1
Zamshu Outlets	35	31
Total Zambeef Outlets	182	166
Shoprites	41	41
Total Zambia	**223**	**207**

	2022	2021
Total Zambeef	182	166
Total Shoprites	73	72
Total Retail Network	**255**	**238**

Zambeef Operations

Current Export Market

CHAIRMAN'S REPORT

Dear Shareholder,

I have the pleasure of presenting my report to you for the financial year ending 30th September 2022.

The financial year saw an improvement in economic sentiment following the successful holding of the general election in August 2021 and the peaceful transition of government. The Kwacha appreciated significantly and remained stable during the period. However, global economic headwinds contributed to the disruption of an otherwise positive trajectory for Zambia's macroeconomic environment. The spill-over effects of the Covid-19 pandemic related supply disruptions on international trade, added layers of production complexities to the business as lead times for imported goods increased. Commodity prices, particularly crude oil, fertilisers and grain, escalated as a result of the Russia - Ukraine conflict. In addition, the period saw the outbreak of animal diseases such as, the African Swine Fever and Contagious Bovine Pleuropneumonia (CBPP) which respectively impacted our pork and beef businesses.

The Group's performance demonstrates its ability to remain resilient in the evolving market and illustrates the strengths of its vertically integrated business model...

Despite the headwinds, management worked tirelessly to keep the business performing by focusing on enhanced bio-security risk, cost management, revenue maximisation and market share growth. As a result, the business posted positive financial results and is well-positioned on the path to actualising its short to medium-term strategy.

The Group's performance demonstrates its ability to remain resilient in the evolving market and illustrates the strengths of its vertically integrated business model, which is key to creating sustainable long-term shareholder value.

Strategy

The Group's medium-term strategy is centred around optimising existing assets and investing in capacity for the future. It is with this in mind that the Group announced a US$100 million expansion programme during the year. This investment strategy is expected to increase the Groups various value chain capacities, and deliver developmental impact to the Zambian economy through job creation, increased tax revenue and supporting ancillary businesses such as small-scale farmers and small to medium-sized businesses. The expansion is expected to double the Mpongwe Farm row cropping capacity, and also to deliver significantly improved production efficiency and capacity through the downstream food value chains. The first crop from the expanded cropping operations is expected to be planted in the 2023/2024 financial with capacity upgrades to milling and processing facilities being run in parallel.

As part of the $100m expansion plan, we remain committed to maintaining a responsible business by building on the Environmental, Social and Governance (ESG) agenda. Therefore, the investment will see an improvement in the Group's carbon footprint and livestock health and welfare.

As part of the divesture of non-core and low-returning assets, the Group exited from pig farming, pullet rearing and egg production during the year. Chiawa farm remains an asset held for sale. These divestitures will enable the business to focus on becoming best in class and improve the Group's profitability.

The Board remains committed to achieving the Group's strategic priorities while navigating the seasonal market and economic challenges. The following are the pillars on which the five-year strategy is underpinned:

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

The Economic Environment

Despite the year 2022 being the second year since the outbreak of Covid-19, its impact on the economy compared to the prior year reduced tremendously due to the success of governments vaccination campaigns and the public's adherence to public health measures.

The economy rallied in comparison to the corresponding period under review and saw stability in macroeconomic fundamentals. The ZMW/USD exchange rate averaged 17.18 down by 19% compared to 21.12 averaged in the previous corresponding period. The local currency has seen a steady appreciation since the start of the financial year despite moments of volatility. A tight monetary policy which saw the Monetary Policy Rate remain stable at 9%, relatively high copper prices and market confidence arising from the peaceful transition of power have been key in keeping the currency stable.

Inflation reduced significantly during the period under review, closing at 9.9% compared to 22.1% in the previous year. This drop came as a result of currency appreciation and a reduction in food inflation despite the escalation in diesel and petrol pump prices. Customers disposable income remained

CHAIRMAN'S REPORT (continued)

under stress as the effect of stable macroeconomic fundamentals had not yet fully trickled down to the consumers. Inflation for the period under review averaged 13.4% compared to 21.7% for the previous corresponding period.

Outlook

We anticipate macro-economic stability to continue, supported by improved investor sentiment leading to increased foreign direct investment. The Kwacha is also expected to remain stable across the 2023 financial year. The copper prices, which is a major foreign exchange earner for the country, is expected to stabilise at current levels as the worst effects of the manufacturing slowdown have tapered off. The inflation rate is expected to remain stable, although the outcome of the Russia - Ukrainian tensions could lead to further rises in global food and energy prices which still pose a risk of higher inflation locally. Of key concern is the emergence of escalating cost of funding as foreign currency liquidity migrates to the United States of America and the United Kingdom, where interest rates are rising.

Executive Management Changes

I am pleased to advise that on 1 July 2022, Ms Faith Mukutu was appointed Chief Executive Officer. She succeeded Mr Walter Roodt who served as Chief Executive Officer since January 2020. Mr Roodt will continue full-time with the company focussing on Large livestock and Strategic Projects in an executive capacity to support the expansion programme referred to above. To ensure a smooth transition, Walter remains on the Board until 1st December, 2022.

The appointment of Faith represents the confidence the Board has in her ability to lead the business through the new phase. Since joining the Group in September 2019, as the Chief Financial Officer, Faith has been instrumental in driving the realisation of commercial value from our business having introduced a cost control culture, restructuring the group balance sheet and streamlining finance operations and reporting.

I am delighted that at the date of this report, the Board had announced the appointment of M'boo John Mumba as Chief Financial Officer, Mboo has also been appointed as an Executive Director of the Board.

M'boo takes on the role, following the promotion of Faith Mukutu, to Chief Executive Officer (CEO) on 1 July 2022. He joined the Zambeef Group in May 2020 as Project Manager before he took up the role of Group Head of Treasury and Administration. He has brought to the Company skills which combine industry, financial and banking experience of more than 16 years. His established professional background and valuable expertise is an asset to the Group.

Acknowledgement

On behalf of the Company and the Board, I would like to express my sincere gratitude to Messrs; Yollard Kachinda and Frank Braeken who resigned from the board on 14 April 2022 and 27 May 2022, respectively. Their dedication and contributions to the business during the period they served as Directors will be greatly missed. I am also indebted to Walter Roodt who, after his reassignment to a new role remained on the Board for a smooth transition. He has played a significant role in the Group and we all wish him all the very best in his new role.

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

Michael M Mundashi
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Overview

It is my pleasure to give my inaugural report as Chief Executive Officer, to you, our esteemed shareholders. I wish to thank the Board for their confidence in my abilities to lead your Company through the next exciting phase of our growth strategy. I also wish to thank Mr Walter Roodt, my predecessor, for steering the Group through the challenging times of the last two years.

Without a doubt, this was another challenging year characterised by a difficult trading environment driven largely by reduced consumer spending and increased production and input costs, despite the stabilisation of the macroeconomic environment. Notwithstanding the headwinds, the Group's results exceeded market expectations, particularly the outstanding performance in the Cropping and Milling division.

The Group generated revenue of ZMW5.4 billion (USD314 million) and achieved a gross profit of ZMW1.6 billion (USD95 million), representing 8% and 11% above the prior year in kwacha terms, and up by 33% and 37% in US dollars, respectively.

Pressure on volumes and margins in the Retail and Cold Chain Food Products (CCFP) division on the back of reduced consumer spending negatively impacted performance, particularly in the first half of the year. An increase in raw material input costs, such as soya beans, precipitated a rise in feed prices, which affected production costs in our livestock business. In addition, the outbreak of African Swine Fever, over six weeks in Lusaka and in other parts of the country, affected the pork business negatively. Further, the outbreak of Contagious Bovine Pleuropneumonia (CBPP), a disease affecting cattle negatively affected our Beef business; with a cost to Company of K20.7 million.

The second half of the year saw volume recovery in volumes in the Retail and CCFP segments driven by price moderation. This coupled with cost control, enabled a recovery from the subdued first-half year performance.

Despite the challenges noted above, the Group posted strong results during the year in line with expectations mainly due to buoyed performance in our Cropping and Milling division.

The Group delivered a profit before tax of ZMW55 million (USD3 million), representing a decline of 68% in Kwacha (61% in US dollar terms), compared to ZMW172 million (USD8 million) in the prior year. The above results posted are after the recognition of goodwill impairment amounting to ZMW142 million (USD8.3m) on the fair value of Zamchick Limited assets. Adjusting for this non-cash impairment, the Group delivered a profit before tax of ZMW197 million (USD11.5 million) representing a growth of 15%.

The Group generated revenue of ZMW5.4 billion (USD314 million) and achieved a gross profit of ZMW1.6 billion (USD95 million), representing 8% and 11% above the prior year in kwacha terms, and up by 33% and 37% in US dollars, respectively.

Our diversified and vertically integrated business with strong brands, supportive partners and an experienced management team helped deliver encouraging results.

Strategic focus

Our strategic focus is to optimise existing assets and invest in the future. We remain committed to our strategy of focussing on our core businesses, in which we strive to be the best in class. The continued divestiture of non-core assets enables us to free up cash to invest in core businesses and therefore, deliver shareholder value. As part of delivering on our strategic imperatives and as announced during the financial year under review, our $100M expansion strategy will see increased profitability in the medium to long term, thus delivering increased value to our shareholders and positively impacting the communities in which we operate. As of 30th September 2022, a total of $7.3m out the $100m expansion plan was either spent or committed by the business.

Outlook

Our strong brands will help us maintain customer loyalty while the vertically integrated business model positions us well to secure both supply and a market for our products. The anticipated future recovery in the economy and a strong management team have positioned us well for shareholder value maximisation in the coming years. The Group will capitalise on the positive economic outlook and invest for the future in anticipation of improved consumer spending.

The Russia-Ukraine conflict poses risks but at the same time presents opportunities for our business. The consequent rise in input costs such as fertiliser and energy could negatively impact our profitability while the rise in commodity prices, such as wheat and soya, will benefit our Cropping and Milling division. Higher soya and maize prices would translate into higher stock feed costs which would negatively impact the profitability of our Retail and Cold Chain Food products business.

Consolidating our balance sheet through disposals of low-returning assets and expanding capacity remains a key focus to enhance shareholder value. In the coming years, the Group is set to make significant strides in our US$100 million expansion program with the Cropping and Milling segment set for expansion in the 2022/2023 financial year.

CHIEF EXECUTIVE OFFICER'S REVIEW (continued)

Divisional Performance

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

Table 1: Divisional financial summary in ZMW'000

Sep-22	Revenue	Revenue	Gross Profit	Gross Profit	Overheads	Overheads	Operating Profit	Operating Profit
Division	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
	ZMW'000	**ZMW'000**	**ZMW'000**	**ZMW'000**	**ZMW'000**	**ZMW'000**	**ZMW'000**	**ZMW'000**
Retailing and Food Production	3,138,305	3,254,929	716,420	827,447	(628,683)	(611,027)	87,737	216,420
Cropping and Stock Feed	3,369,186	2,845,518	916,766	643,269	(467,870)	(378,546)	452,936	264,723
Total	6,507,491	6,100,447	1,633,186	1,470,716	(1,096,553)	(989,573)	540,673	481,143
Less: Intra/ Inter Group Sales	(1,112,730)	(1,126,096)						
Central Overhead					(362,969)	(234,744)	(362,969)	(234,744)
Group Total	**5,394,761**	**4,974,351**	**1,633,186**	**1,470,716**	**(1,459,522)**	**(1,224,317)**	**173,664**	**246,399**

Table 2: Divisional financial summary in USD'000

	Revenue	Revenue	Gross Profit	Gross Profit	Overheads	Overheads	Operating Profit	Operating Profit
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Division	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Retailing Zambia	182,672	154,116	41,701	39,178	(36,594)	(28,931)	5,107	10,247
Cropping and Milling	196,111	134,731	53,362	30,458	(27,233)	(17,924)	26,129	12,534
Total	378,783	288,847	95,063	69,636	(63,827)	(46,855)	31,236	22,781
Less: Intra/ Inter Group Sales	(64,769)	(53,319)	-		-		-	
Central Overhead				-	(21,127)	(11,115)	(21,127)	(11,115)
Group Total	**314,014**	**235,528**	**95,063**	**69,636**	**(84,955)**	**(57,970)**	**10,108**	**11,667**

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

Retail and Cold Chain Food Products (CCFP)

Sales volumes came under pressure on the back of reduced consumer spending on proteins and oils, resulting from the trading down to cheaper nutritional alternatives. A price moderation strategy across all protein categories led to volume recovery in the second half of the year. The period saw the outbreak of African Swine Fever in Lusaka and other Provinces, which resulted in our pork processing operation being shut down and consequently impacted operations during the period of the animal movement ban. The year also saw the outbreak of CBPP which negatively impacted our beef business. Chicken sales volumes struggled as the price of chicken products remained relatively high compared with other proteins due to sustained high stock feed prices.

Given the above challenges, the Retail and CCFP business registered a revenue decline of 4% compared to the prior year. Higher input prices, particularly feed and fuel, resulted in a reduction of gross profit by 13% from the prior year.

CHIEF EXECUTIVE OFFICER'S REVIEW (continued)

The Retail and CCFP division generated an EBIT margin of 5.1% which decreased by 6.6% from the previous financial year to ZMW160 million (2021: ZMW216 million) in Kwacha terms.

Cropping and Milling (Cropping, Stockfeed, and Wheat Milling)

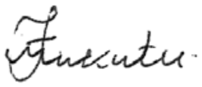
The division registered strong results owing to growth in stock feed revenues and higher grain prices in Cropping, despite lower soya bean yields across the country due to sporadic rainfall patterns.

The stockfeed business registered good growth due to improved supply chain planning. The export ban that existed in the first quarter of the year impacted export sales with an increase in demand for feed being noticeable in the period after the lifting of the ban.

The Cropping business saw margins improve on the back of higher grain prices despite an escalation in input costs, particularly fertiliser.

Revenue in the Cropping and Milling division grew by 18% in Kwacha terms and 46% in USD terms, while the operating profit grew by 70% to ZMW 449 million (2021: ZMW265 million) and by over 100% to USD26 million (2021: USD13 million) in dollar terms.

Finally, I would like to thank our Board of Directors and all staff and partners of Zambeef for their contribution to the continued success of the Group. I look forward to what we will be able to achieve in the coming year as we continue to implement our growth strategy.



Faith Mukutu
Chief Executive Officer

2 December 2022.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SUSTAINABILITY REPORT

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

Zambeef has committed to uphold the principles set out 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 Environmental, Social and Governance (ESG) Strategic Plan.

The Board of Directors provides oversight through its ESG 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.

Zambeef is dedicated to compliance and improvement as well as to environmental and social activities through its robust Sustainability team which supports the business at operational level.

Economic Contribution

Zambeef is a significant contributor to the country's economic activities, with a turnover of more than 1% of the national gross domestic product, averaged over the last five years.

Employment

- Zambeef continues to be one of the largest employers in the country, with 7,528 staff, 13 % of who are females.
- 60% of the of the current Executive Team are female.
- Over 99.5% of employees are Zambian.
- The Group's cropping division provides significant employment to rural communities, where poverty levels are higher than in urban areas.
- Most of Zambeef's raw material suppliers are located and provide employment to communities in rural areas.

We work closely with small & medium scale farmers;

- They supply beef cattle, broiler chickens, pigs & milk to our Retail and Cold Chain Food Divisions
- They supply soya beans and maize to our stock feed operations
- Average annual spend is ZMW 1billion

- We render support to the vulnerable (hospices/hospitals, orphanages, care homes) through food products donation programs; these include products processed by the Group

- We fund and support public healthcare institutions in areas where we operate and also run Group owned medical facilities on our farms.

- The Group supports community and government schools located in communities around its farming operations.
- The Group has constructed new class room blocks and rehabilitated public-school infrastructure.

Taxes

The Group is a significant contributor to government revenues.

Local capital markets

A significant percentage of the Group's shareholding is owned by local institutional investors and pension funds, including the National Pension Scheme Authority (NAPSA); every working Zambian has a stake in the Group.

Export earnings

- The Group is a member of the Zambia Development Agency's elite million-dollar club of leading exporters.
- In the year under review, the Group recorded foreign exchange export income of over USD1.5 million, while total Group USD-denominated revenues were USD 31.2 million.

Social performance

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

Skills development

✓ The Group is fully committed to developing and training its employees at all levels.

✓ During the year, specific trainings in food safety, occupational health and safety, safe handling of hazardous materials, quantifying and reporting greenhouse gas emissions were offered to employees.

✓ The Group's continual reinvestment in human resources and a deliberate focus on diversity and inclusion has resulted in many senior positions being held by Zambians and females.

Food security

Zambeef continues to play a significant role in national and regional food security. The Group produced over 85,000 metric tons of grain, in the financial year.

Food Quality and Safety

The Group continued making improvements in the quality and safety of foods it manufactures and offers for sale to the public.

SUSTAINABILITY REPORT (continued)

✓ Customer Feedback

The dedicated customer phone line (voice calls, text messages and WhatsApp), email service and Facebook platforms continue to be widely publicised, on product packaging, product transportation trucks and in trading premises. These platforms constitute an important component of our broader stakeholder engagement program. We receive valuable feedback about our products and quality of service, and that helps us to improve both the products and services we offer.

✓ One Health Schemes

The business continues to implement programs that seek to achieve optimal health and well-being outcomes, recognizing the interconnections between people, the livestock we rear and process, the crops we cultivate and the shared environment in which all our activities are performed. Our sustainability strategy recognizes all the elements necessary to achieve our One Health.

Occupational health and safety programs are being implemented to cover all areas of our operations, ensuring that occupational hazards are eliminated or minimized in the work environment.

The business is embracing Good International Industry Practice in both cropping and livestock farming through the implementation of the Global Good Agricultural Practice Standard.

Pesticides falling in categories Ia. (extremely hazardous) and Ib. (highly hazardous), under the World Health Organization basic clarification by hazards, are not permitted for use in any part of the business under any circumstances.

Biosecurity measures aimed at compartmentalizing livestock hosting and processing sites continue to be implemented across the business.

A Food Safety Management System (FSMS) based on ISO 22000:2018 continues to be rolled out across the Group's food value chains. The FSMS ensures that the business has a continuous improvement program on the quality and safety of the food it produces and offers for sale to the public.

To date, the Chicken Processing Plant, Dairy Processing Plant, Masterpork Factory Novatek Feed Lusaka Plant and the Novatek Feed Mpongwe Plant are ISO 22000 certified. The Beef Processing Plant and Wheat Flour Mill at Huntley have undergone preparatory works and are earmarked for certification in the year ending September 30th 2023. The Retailing network is also undergoing preparatory works.

An environmental certification scheme is also underway.

Inclusive business model:

The Group continues to source the bulk of its raw materials from rural communities in Zambia. 100% of the beef and pork processed by the business were sourced from third-party farmers. Out-growers supply 65% of the broiler chickens processed by Zamchick. 93% of the maize and 62% of the soya beans used at Novatek Animal Feeds were externally supplied, predominantly by small scale rural farmers.

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

In the year under review, the Group bought grains and livestock from 62,026 small scale farmers across the country, spending more than ZMW1 billion.

Community engagement: Zambeef continues to engage with communities in the areas where we operate. As guided by our Stakeholder Engagement Procedure, stakeholders are mapped and proactively engaged on a regular basis, and at every time developmental projects are initiated at Group sites.

The Group complies with the guidelines of the IFC Performance Standard number 1: Land Acquisition and Involuntary Resettlement, in all land acquisition matters.

We have a Chance Finds Procedure, that is aligned with IFC Performance 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

Support to vulnerable communities/ groups through foodstuff donations: The Group continues rendering support to the vulnerable (hospices/ hospitals, orphanages, care homes) through donations of foodstuffs. There are currently 22 institutions hosting vulnerable people which the Group supports through the food supply program. A total of ZMW2 million was spent on donations in the year under review.

This gesture by the Group aligns strongly with UN SDG 2, whose main aspiration is to 'end hunger, achieve food security and improved nutrition ...'

Other non-food donations, like water reticulation systems were also made.

Support to educational and healthcare institutions: Zambeef continues to fund educational and healthcare institutions. This includes institutions like Mpongwe School and medical clinic, wholly owned by the Group, where teachers, teaching aids, healthcare workers, equipment and facilities are fully funded by the Group. The Mpongwe support expenditure amounted to ZMW3.10 million in the year under review.

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

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

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

Environmental performance

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

No notifiable environmental incident or accidental release were experienced during the financial year.

During the year under review, the Group had two Environmental Project Briefs approved by the Zambia Environmental Management Agency (ZEMA) as governed by Statutory Instrument No. 28 of 1997 'Environmental Impact Assessments Regulations' read together with the Environmental Management Act No. 12 of 2011. The practice also fulfils the requirements of IFC PS 1: "Assessment and Management of Environmental and Social Risks and Impacts."

SUSTAINABILITY REPORT (continued)

The underlisted projects were allowed by the ZEMA Board;

1. Installation of 40,000 litre above ground diesel tank at Kalundu Dairy Farm, Chisamba District, Central Province.

2. Proposed housing complex at Huntley Farm, Chibombo District, Central Province.

Climate Change

The Group has been developing a customized GHG Assessment Tool (based on the Global Livestock Environmental Assessment Model-i methodology and experiences of similar assessments in Africa) and climate footprint monitoring guidelines. The climate footprint monitoring guidelines included benchmarking of climate performance and highlighting of recommended areas for improvement and application of best-practice climate solutions.

The Tool has been developed to calculate the annual carbon footprint of the user-specified Zambeef facilities. In addition, the Tool will assist the Group to set GHG emission reduction targets and develop decarbonization strategies.

To underscore our commitment to reducing the carbon footprint of its operations, a decision was made to discontinue the use of charcoal for commercial purposes.

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.

Recognising that achieving a long-term sustainable business depends on stable, well-functioning and well-governed environmental, social, economic and governance practices, the Company strives for continual development in these areas.

Additionally, the Company through its Board of Directors has put together its basic framework on Corporate Governance and 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.

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.

FRAMEWORK

As a Company listed on exchanges in Lusaka and London, we are required to comply with LuSE and UK specific Corporate Governance codes. The UK Corporate Governance Code does not apply to companies floated on the AIM Market of the London Stock Exchange, the market on which Zambeef is listed. For the purposes of being quoted on AIM, the Company has agreed to maintain standards of corporate governance recommended by AIM. In this regard, and bearing in mind the size and scale of the operations of the Company, the Company has adopted the QCA Code as the basis of its corporate governance standards.

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

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

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

THE BOARD OF DIRECTORS

The Company has a unitary board of directors, which at the start of the year under review, comprised nine directors but later reduced to seven, retaining a number within that required per its Articles of Association, yet balancing the requisite business acumen and skills pertinent to the business. Of the seven Directors, five are Non-Executive Directors, and two are Executive Directors. Four of the five 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 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

CORPORATE GOVERNANCE STATEMENT (continued)

and the implementation of policies. In performing its role, the Board makes major policy decisions, participates in strategic planning, delegates to management authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness.

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

CHAIRMAN AND CEO ROLES

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

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

The Board Composition

Director	Title	Date of Appointment
Michael Mundashi	Chairman	04/09/2019
Faith Mukutu	Executive Director (CEO)	04/09/2019
Roman Frenkel	Non-Executive Director	01/03/2021
Pearson Gowero	Independent Non-Executive Director	01/03/2021
Jonathan Kirby	Independent Non-Executive Director	03/08/2017
Monica K Musonda	Independent Non-Executive Director	01/03/2021
Walter Roodt	Executive Director	1/03/2019

As of the date of the report, the Board comprised of the Chairman (Independent Non-Executive Director), and four Non-Executive Directors, three 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. Brief curricula vitae of the directors appear on pages 24 – 25 of this report.

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

MEETINGS OF THE BOARD

The board has four regular meetings each year and the company's Articles of Association make provision for decisions to be taken between meetings by way of written resolutions, when required. During the

DIRECTORS' NAME	BOARD MEETING (24/11/2021)	BOARD MEETING (16/02/2022)	BOARD MEETING (8/06/2022)	BOARD MEETING (27/10/2022)	TOTAL MEETINGS ATTENDED	TOTAL MEETINGS HELD
M Mundashi	✔	✔	✔	✔	4	4
W Roodt	✔	✔	✔	✔	4	4
F Braeken	✔	✔	RS	RS	2	4
R Frenkel	✔	✔	✔	✔	4	4
P Gowero	✔	✔	✔	✔	4	4
Y Kachinda	✔	✔	RS	RS	2	4
J Kirby	✔	✔	✔	✔	4	4
F Mukutu	✔	✔	✔	✔	4	4
M Musonda	✔	✔	✔	X	3	4

Key	
✔	Attended
X	Absent
RS	Resigned

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.

CORPORATE GOVERNANCE STATEMENT (continued)

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

1. Audit and Risk Committee

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

Responsibilities:

- The primary role of the Audit Committee is to ensure the integrity of the financial reporting and audit process, including review of the interim and annual financial statements before they are submitted to the board for final approval.
- To ensure that a sound risk management and internal control system is maintained and reviewing the system for monitoring compliance with applicable laws and regulations.
- To give due consideration and review of corporate governance matters in accordance with relevant frameworks including the LuSE Corporate Governance Code and the QCA Code.
- Monitor and review the reports and function of the internal audit department, in line with its own charter, which requires systematic evaluation of the effectiveness of risk management, control, compliance and governance processes for the Group.
- Monitor and review the reports of the external auditors and their performance.
- At least once a year, the members of the committee should meet the external auditors without the presence of any Executive Director.
- The committee should also consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, as regards the appointment and/or reappointment of the company's external auditor.
- Monitor the ethical conduct of the Company, its executives and senior officials.

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	24/11/2021	14/02/2022	31/05/2022	14/09/2021
Jonathan Kirby	Chair: INED	✔	✔	✔	✔
Frank Braeken*	NED	✔	✔	**RS**	**RS**
Pearson Gowero	INED	✔	✔	✔	✔
Roman Frenkel	NED	✔	✔	✔	✔
Hastings Mtine	Committee Member	✔	✔	✔	✔

Key	
✔	*Attendance*
RS	*Resigned*

2. Remuneration and Succession Committee

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

Chairman – Monica Musonda

Members - Yollard Kachinda and Frank Braeken resigned from the Board and the committee in May 2022, Jonathan Kirby and Felicity Preacher as an observer from British International Investment (BII).

Responsibilities:

- Regularly review the structure, size, knowledge, experience and diversity of the Board, as well as the sub-committees of the Board, and make recommendations to the Board with regard to changes.
- Responsible for identifying, evaluating and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Consider succession planning for Directors and other senior executive management, and in particular, for the key roles of Chairman and CEO of the Company. The appointment of CEO and directors can only be made following a formal, rigorous assessment by this committee and its formal recommendations being made to the Board, having also evaluated the balance of skills, knowledge, experience and diversity on the Board.
- Determine and agree with the Board the framework or broad policy for the remuneration of the CEO, the Chairman of the Board, the Executive Directors, the Company Secretary, and such other members of the executive management of the Group to whom the Board has extended the remit of the committee.
- Determining the remuneration policy by considering all factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the QCA Code and associated guidance. The objective of such policy shall be to ensure that members of the Group executive management are provided with appropriate incentives

CORPORATE GOVERNANCE STATEMENT (continued)

to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.

- The committee ensures reporting of the Remuneration Committee's agreed fees and remuneration, for both the executive directors and non-executive directors, in the formal Report of the Directors in the Annual Report. This requires formal approval by the shareholders in an AGM. The Chairman ensures he is available to answer questions/comments put forward by the shareholders in the AGM regarding directors' fees and remuneration.
- Perform evaluations of the Board, Board Committees (and their constituents), and recommend training where necessary.

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	24/11/2021	14/02/2022	30/05/2022
Monica Musonda	Chair: INED	✔	✔	✔
Frank Braeken	NED	✔	✔	RS
Yollard Kachinda	INED	✔	✔	RS
Jonathan Kirby	NED	✔	✔	✔
Felicity Preacher***	Observer	BA	BA	✔

Key	
✔	*Attendance*
BA	*Before Appointment*
RS	*Resigned*

**** 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

Chairperson - Pearson Gowero

Members – Roman Frenkel, Monica Musonda and Yollard Kachinda

Responsibilities:

- Provide strategic advice and guidance to the Board in relation to systemic and strategic environmental and social ("E&S") issues which affect the Company's business model and strategy.
- Ensure that the Company has in place adequate and robust systems, policies and procedures for monitoring the E&S management of the Company, in accordance with applicable legislation and Good International Industry Practice ("GIIP"), defined by IFC Performance Standards.
- Monitor the implementation of the Environmental and Social Action Plan and any corrective action plans that may be developed in due course.
- Oversee any Company investigations relating to breaches of E&S laws, regulations and standards and/or the Company's E&S policies, management systems and plans.
- Ensure good corporate citizenship through promotion of equality, prevention of unfair discrimination and reduction of corruption.
- Ensure contribution to development of the communities in which its activities are predominantly conducted, or within which its products or services are predominantly marketed.

Committee Meeting Attendance Schedule

NAME	CATEGORY DIRECTOR	23/11/2021	14/02/2022	31/05/2022
Pearson Gowero	**Chair: INED**	✔	✔	✔
Roman Frenkel	**NED**	✔	✔	✔
Yollard Kachinda	**INED**	✔	✔	RS
Monica Musonda	**INED**	✔	✔	✔

Key	
✔	*Attendance*
RS	*Resigned*

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.

CORPORATE GOVERNANCE STATEMENT (continued)

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 Companies Act and Securities Act. They follow a tailored induction programme facilitated by the Company Secretary which includes a scheduled trip to tour the operations.

COMPANY SECRETARY

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

STAFF DEVELOPMENT, TRAINING AND INFORMATION TECHNOLOGY

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

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

STAKEHOLDER RELATIONS

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

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

- its key small-scale suppliers across grains and livestock,
- its larger commercial raw material/ input suppliers and livestock suppliers,
- its wide customer base across stockfeed, cold chain food products, and other products,
- its regulators such as Zambia Environmental Management Agency (ZEMA), Patents and Companies Registration Agency (PACRA), Water Resources Management Agency (WARMA), Lusaka 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 CEO and Chief Financial Officer (CFO) meet and conduct formal results presentations with shareholders on a half-yearly basis.

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

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

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

INTERNAL AUDITORS

TThe 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

CORPORATE GOVERNANCE STATEMENT (continued)

through regular and systematic audit planning and also rotation of client staff engaged on the audits.

ORGANISATIONAL INTEGRITY

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

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

INTERNAL CONTROL

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

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

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

ETHICS

The Company's fundamental policy is to conduct its business with honesty and integrity and in accordance with the highest legal and ethical standards. The Company has a Code of Conduct and Business Practices, determining the minimum standards required of all staff, which is disseminated throughout the Company.

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

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

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

The Group's ABC program has been formulated in conjunction with 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.

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 GGroup'sordinary 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

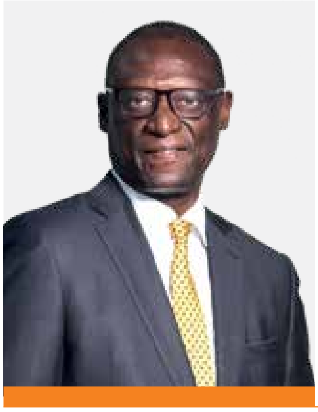
ZAMBEEF COMPLIANCE SCHEDULE										
Category	Total Rules	Applicable	Non-Applicable	Full Compliance	Partial Compliance	Non-Compliance	%N/A	%FC	%PC	%NC
General Matters	15	15	–	15	–	–	-	100	–	–
Chairman and CEO	5	4	1	4	–	–	20	80	–	–
Executive and NEDs	4	4	–	4	–	–	–	100	–	–
Directors' Compensation	9	9	–	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	–	9	–	1	–	100	–	–
Legal and Compliance	2	2	–	2	–	–	–	100	–	–
External audit	7	7	–	7	–	–	–	100	–	–
Internal audit	12	12	–	12	–	–	–	100	–	–
Risk	7	7	–	7	–	–	–	100	–	–
Integrated sustainability reporting	7	7	–	7	–	–	–	100	–	–
Disclosure and Stakeholder Reporting	4	4	–	4	–	–	–	100	–	–
Organisation integrity	6	6	–	6	–	–	–	100	–	–
	101	100	1	97	0	2	1	98	–	–

Summary of areas that are not fully compliant or inapplicable

Areas not applicable

i. If the role of the chairperson and chief executive are performed by the same person;
   a. The Board must have an independent director as deputy chairperson
   b. 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 64)

Chairman

Non-Executive Director

Nationality: Zambian

Qualifications

Bachelor of Laws Degree (University of

Zambia); Post Graduate qualification as an Advocate of the High Court of Zambia

Experience

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

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

Faith Mukutu (age 42)

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

External appointments Current directorships include Bayport Financial Services Ltd, Good Nature Agro and Zayohub Zambia Ltd.

Katebe Monica Musonda (47)
Non-Executive Director
Chair Remco

Nationality: Zambian

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

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

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

Jonathan Kirby (age 60)

Non-Executive Director

Nationality: South African

Qualifications

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

Experience

Over 30 years 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.

Board of Directors (continued)

Roman Frenkel (age 42)

Non-Executive Director

Nationality: British

Qualifications

Durham University MEng Mechanical Engineering;

ACA (ICAEW)

Experience

Over 10 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, Food & Agriculture, Direct Private Equity at BII PLC in London.

Pearson Gowero (age 64)

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 and SeedCo International Limited. He has in-depth knowledge of Zambian and Zimbabwean Industries.

Walter Roodt (age 46)

Executive Director – Strategic Projects & Large Livestock.

Nationality: Namibian

Qualifications

BSc. (Agric.) Animal Science (University of Pretoria, RSA); MSc. (Agric.) Nutrition Science (University

of Pretoria, RSA); Senior Executive Programme (London Business School, UK)

Experience

20 years of experience in Agriculture in Southern Africa

External appointments:

Director of City Dental Ltd

Directors report

For the year ended 30 September 2022

The Directors submit their report together with the audited annual financial statements for the year ended 30 September 2022, 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, stock feed and flour. The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 12,257 Hectares of row crops under irrigation and 8,750 Hecatares of rain-fed/dry-land crops available for planting each year. The Group also has retailing operations in Nigeria and Ghana.

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	43,030,134	14.3%
National Pension Scheme Authority (Zambia)	24,797,818	8.2%
M & G Investment Management	18,700,000	6.2%
Krohne Capital	17,979,408	6.0%
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%

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

Significant events during the year

During the year, the goodwill on the cash generating unit, Zamchick was impaired in full. The impairment loss amounted to K142 million (2021: Nil).

Results and dividend

The profit for the year of K31.6 million (2021:K168.8 million) has been added to retained earnings.

The Directors have not declared a dividend nor have any dividends been paid during the year (2021: Nil)

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	Chief Executive Officer	
Yollard Kachinda	Non-executive Director	Resigned on 14 April 2022
Jonathan Kirby	Non-executive Director	
Frank Braeken	Non-Executive Director	Resigned on 27 May 2022
Katebe Monica Musonda	Non-Executive Director	
Pearson Gowero	Non-Executive Director	
Roman Frenkel	Non-Executive Director	
Walter Roodt	Executive Director	

Directors report (continued)

For the year ended 30 September 2022

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

Name	Position	2022	2021
		K'000	K'000
Walter Roodt	Executive Director	5,033	5,445
Faith Mukutu	Executive Director	5,348	4,950
		10,381	10,3945
Michael Mundashi SC	Non-Executive Director	920	860
Jonathan Kirby	Non-executive Director	580	534
Yollard Kachinda	Non-executive Director	260	463
Frank Braeken	Non-Executive Director	347	463
Katebe Monica Musonda	Non-Executive Director	580	338
Pearson Gowero	Non-Executive Director	580	338
Margaret Mudenda	Non-Executive Director	-	120
John Rabb	Non-Executive Director	-	120
Lawrence Sikutwa	Non-Executive Director	-	100
Enala Mwase	Non-Executive Director	-	100
		3,267	3,438
Total		**13,648**	**13,833**

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:

	2022- shares		2021- shares	
Name of Director	Direct	Indirect	Direct	Indirect
John Rabb*	-	14,000,000	-	14,000,000
Katebe Monica Musonda	-	555	-	555
	-	14,000,555	-	14,000,555

*John Rabb retired on 28 February 2021.

In 2021, Frank Braeken was engaged for consultancy work at a fee of K790,200.

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.

Average number of employees and remuneration

The total remuneration of employees during the year amounted to K667.9 million (2021: K648.5 million) and the average number of employees were as follows:

Month	Average Number
October	6,873
November	7,140
December	7,530
January	7,062
February	7,407
March	7,410

Month	Average Number
April	7,410
May	7,314
June	7,679
July	7,681
August	7,640
September	7,528

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 K2.0 million (2021: K2.5 million) to charitable organisations and events.

Research and development

The Group did not incur any costs on research and development during the year (2021: Nil).

Exports

During the year, the Group exported K26.4 million worth of goods from Zambia (2021: K36.6 million).

Directors report (continued)

For the year ended 30 September 2022

Property, plant and equipment

During the year, the Group purchased property, plant and equipment amounting to K222.1 million (2021: K103.1 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 year related to the audit for the year ended 30 September 2022 was K4.1 million (2021: K6.5 million).

Signed on behalf of the Board of Directors,

Michael Mundashi SC
Director

Faith Mukutu
Director

Date: 2 December 2022

Statement of Directors' responsibilities

For the year ended 30 September 2022

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 36 to 97 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

Micheal Mundashi SC **Chairman**	**Faith Mukutu** **Chief Executive Officer**

Date: 2 December 2022

Independent auditor's report

To the Shareholders of Zambeef Products PLC

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 2022, 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 36 to 97 and comprise:

- the Group and Company statements of financial position as at 30 September 2022;
- 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.

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.

Key audit matter	How our audit addressed the Key audit matter
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).	• 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.

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.

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.

Independent auditor’s report (continued)

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.

pwc

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

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
Date: 2 December 2022.
Lusaka

Chibuye

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

Financial Statements
30 September 2022

Statement of profit or loss and other comprehensive income

	Notes	Group		Company	
		2022	2021	2022	2021
		K'000	K'000	K'000	K'000
Revenue from contracts with customers	5(ii)	5,394,761	4,974,351	3,361,428	2,880,062
Change in fair value of biological assets	16	349,462	828,361	307,574	545,343
Cost of sales	7	(4,111,037)	(4,331,996)	(2,795,764)	(2,630,914)
Gross profit		**1,633,186**	**1,470,716**	**873,238**	**794,491**
Other income/(expenses)	6	2,491	(8,445)	17,325	(10,410)
Net impairment losses on financial assets	4(b)	(17,869)	(3,306)	(7,876)	(1,188)
Impairment of goodwill	13	(141,786)	-	(141,786)	-
Distribution expenses	7	(65,596)	(66,848)	(67,118)	-
Administrative expenses	7	(1,236,762)	(1,145,718)	(658,635)	(636,152)
Operating profit		**173,664**	**246,399**	**15,148**	**146,741**
Share of loss from equity investment	15(ii)	(3,503)	(3,358)	(3,503)	(3,358)
Finance income	8	3,541	45,897	3,534	56,792
Finance costs	8	(118,538)	(116,916)	(91,009)	(84,980)
Profit/(loss) before income tax		**55,164**	**172,022**	**(75,830)**	**115,195**
Income tax expense – continuing operations	10	(63,283)	(31,953)	(27,799)	(12,600)
(Loss)/profit from continuing operations		(8,119)	140,069	(103,629)	102,595
Profit from discontinued operations after tax	20(i)	39,697	28,754	39,697	28,754
Profit/(loss) for the year		**31,578**	**168,823**	**(63,932)**	**131,349**
Profit/(loss) attributable to:					
Owners of Zambeef Products PLC		29,152	167,980	(63,932)	131,349
Non-controlling interests		2,426	843	-	-
		31,578	**168,823**	**(63,932)**	**131,349**
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Translation differences - foreign operations	22	(16,320)	(14,710)	-	-
Translation differences - Mpongwe Farms	22	(10,847)	(271,935)	(10,847)	(271,935)
Items not reclassified to profit or loss					
Revaluation surplus	23	-	192,403	-	40,125
Actuarial remeasurement losses	26(i)	(3,150)	(2,813)	(1,058)	(1,408)
Deferred income tax*	25	6,394	21,199	3,018	826
Other comprehensive income for the year		**(23,923)**	**(75,856)**	**(8,887)**	**(232,392)**
Total comprehensive income for the year		**7,655**	**92,967**	**(72,819)**	**(101,043)**

Statement of profit or loss and other comprehensive income (continued)

	Notes	Group		Company	
		2022	2021	2022	2021
		K'000	K'000	K'000	K'000
Total comprehensive income for the period is attributable to:					
Owners of Zambeef Products Plc		4,970	95,066	(72,819)	(73,849)
Non-controlling interests		2,685	(2,099)	-	-
		7,655	92,967	(72,819)	(73,849)
Basic earnings per share		Ngwee	Ngwee	Ngwee	Ngwee
Continued operations	30	(3.51)	46.60	(34.46)	34.13
Discontinued operations	30	13.21	9.57	13.21	9.57
Total basic earnings per share		9.70	56.17	(21.25)	43.70
Diluted earnings per share					
Continued operations	30	(2.63)	34.96	(25.85)	25.61
Discontinued operations	30	9.91	7.18	9.91	7.18
Total diluted earnings per share		7.28	42.14	(15.94)	32.79

*Refer to note 32 for details regarding the restatement as a result of an error.

The notes on pages 43 to 97 form an integral part of these annual financial statements

Consolidated Statement of financial position

		30-Sept-22	Restated:1-Oct-21	Restated:1-Oct-20
ASSETS	**Notes**	**K'000**	**K'000**	**K'000**
Non-current assets				
Property, plant and equipment	11	3,134,611	3,071,735	3,213,319
Right of use assets	12(a)	32,389	43,283	51,186
Goodwill	13	25,015	166,801	166,801
Investment in associate	15	36,965	40,468	43,826
Biological assets	16	86,592	71,365	62,380
		3,315,572	**3,393,652**	**3,537,512**
Current assets				
Biological assets	16	234,104	287,632	113,925
Inventories	17	1,441,912	1,197,846	1,103,640
Trade and other receivables	18	289,300	238,278	142,005
Cash and cash equivalents	19	223,972	201,539	111,136
Assets classified as held for sale	20(iii)	170,091	170,550	175,654
Current income tax asset	10	-	-	1,743
		2,359,379	2,095,845	1,648,103
Total assets		**5,674,951**	**5,489,497**	**5,185,615**
EQUITY				
Share capital	21	3,006	3,006	3,006
Share premium	21	1,125,012	1,125,012	1,125,012
Preference share capital	21	1,000	1,000	1,000
Foreign currency translation reserve	22	692,705	720,131	1,003,834
Revaluation reserve	23	1,113,119	1,160,653	1,034,388
Retained earnings		758,489	678,559	468,453
Attributable to owners of parent entity		3,693,331	3,688,361	3,635,693
Non-controlling interests (NCI)		66	(2,619)	(520)
		3,693,397	3,685,742	3,635,173
LIBILITIES				
Non-current liabilities				
Lease liabilities	12(b)	12,597	7,253	19,750
Borrowings	24	426,222	195,555	190,218
Deferred income tax	25	223,217	235,250	195,444
Defined benefit obligations	26	3,654	8,891	11,389
		665,690	446,949	416,801
Current liabilities				
Lease liabilities	12(b)	5,046	12,418	23,259
Borrowings	24	525,325	700,913	674,944
Trade and other payables	27	649,573	514,205	337,766
Contract liabilities	28	97,400	119,206	97,672
Current income tax	10	38,520	10,064	-
		1,315,864	1,356,806	1,133,641
Total equity and liabilities		**5,674,951**	**5,489,497**	**5,185,615**

The annual financial statements on pages 36 to 97 were approved for issue by the board of directors on 30 November 2022 and signed on its behalf by:

Michael Mundashi SC
Chairman

Faith Mukutu
Chief Executive Officer

**Refer to note 32 for details regarding the restatement as a result of an error.*

The notes on pages 43 to 97 *form an integral part of these annual financial statements.*

Company statement of financial position

ASSETS	Notes	30-Sept-22 K'000	Restated:1-Oct-21 K'000	Restated:1-Oct-20 K'000
Non-current assets				
Property, plant and equipment	11	2,158,021	2,143,680	2,453,920
Right of use assets	12(a)	23,591	22,803	22,474
Investment in subsidiaries	14	104,020	245,807	245,807
Investment in associate	15	36,965	40,468	43,826
Biological assets	16	86,592	71,365	62,380
		2,409,189	2,524,123	2,828,407
Current assets				
Biological assets	16	183,061	236,583	77,121
Inventories	17	977,667	772,972	814,081
Trade and other receivables	18	786,517	872,256	1,370,672
Cash and cash equivalents	19	136,149	113,193	12,645
Assets classified as held for sale	20(iii)	170,091	170,550	175,654
Current income tax asset	10	-	2,520	565
		2,253,485	2,168,074	2,450,738
Total assets		**4,662,674**	**4,692,197**	**5,279,145**
EQUITY				
Share capital	21	3,006	3,006	3,006
Share premium	21	1,125,012	1,125,012	1,125,012
Preference share capital	21	1,000	1,000	1,000
Foreign currency translation reserve	22	687,048	697,895	969,830
Revaluation reserve	23	712,279	739,522	745,684
Retained earnings		739,665	774,394	597,340
		3,268,010	3,340,829	3,441,872
LIABILITIES				
Non-current liabilities				
Lease liabilities	12(b)	5,354	1,873	8,172
Borrowings	24	426,222	195,555	190,218
Deferred income tax	25	140,280	138,117	124,190
Defined benefit obligations	26	366	2,124	3,356
		572,222	337,669	325,936
Current liabilities				
Lease liabilities	12(b)	4,878	6,597	14,461
Borrowings	24	337,669	517,126	497,721
Trade and other payables	27	367,814	395,491	906,879
Contract liabilities	28	97,400	94,485	92,276
Current income tax	10	14,681	-	-
		822,442	1,013,699	1,511,337
Total equity and liabilities		**4,662,674**	**4,692,197**	**5,279,145**

The annual financial statements on pages 36 to 97 were approved for issue by the board of directors on 30 November 2022 and signed on its behalf by:

Micheal Mundashi SC
Chairman

Faith Mukutu
Chief Executive Officer

*Refer to note 32 for details regarding the restatement as a result of an error.

The notes on pages 43 to 97 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 2021	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	
As previously presented	3,006	1,125,012	1,000	1,003,834	1,167,713	470,174	3,770,739	(520)	3,770,219
Correction of error (Note 32)	-	-	-	-	(133,325)	(1,721)	(135,046)	-	(135,046)
At start of year – restated	3,006	1,125,012	1,000	1,003,834	1,034,388	468,453	3,635,693	(520)	3,635,173
Profit for the year	-	-	-	-	-	167,980	167,980	843	168,823
Other comprehensive income:									
Revaluation surplus	-	-	-	-	192,403	-	192,403	-	192,403
Transfer of excess depreciation	-	-	-	-	(44,377)	44,377	-	-	-
Actuarial remeasurement losses	-	-	-	-	-	(2,813)	(2,813)	-	(2,813)
Deferred income tax (Note 25)	-	-	-	-	(21,761)	562	(21,199)	-	(21,199)
Translation differences (Note 22)	-	-	-	(283,703)	-	-	(283,703)	(2,942)	(286,645)
	-	-	-	(283,703)	126,265	42,126	(115,312)	(2,942)	(118,254)
Total comprehensive income for the year	-	-	-	(283,703)	126,265	210,106	52,668	(2,099)	50,569
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
Year ended 30 September 2022									
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 year end	3,006	1,125,012	1,000	692,705	1,113,119	758,489	3,693,331	66	3,693,397

The notes on pages 43 to 97 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	
Year ended 30 September 2021							
As previously presented	3,006	1,125,012	1,000	969,830	828,538	597,524	3,524,910
Correction of error (Note 32)	-	-	-	-	(82,854)	(184)	(83,038)
At start of year - restated	3,006	1,125,012	1,000	969,830	745,684	597,340	3,441,872
Profit for the year	-	-	-	-	-	131,349	131,349
Other comprehensive income:							
Revaluation surplus	-	-	-	-	40,125	-	40,125
Transfer of excess depreciation	-	-	-	-	(46,972)	46,972	-
Actuarial remeasurement losses	-	-	-	-	-	(1,408)	(1,408)
Deferred income tax (Note 25)	-	-	-	-	685	141	826
Translation losses on Mpongwe farms (Note 22)	-	-	-	(271,935)	-	-	(271,935)
	-	-	-	(271,935)	(6,162)	45,705	(232,392)
Total comprehensive income for the year	-	-	-	(271,935)	(6,162)	177,054	(101,043)
At start of year	3,006	1,125,012	1,000	697,895	739,522	774,394	3,340,829
Year ended 30 September 2022							
At start of year	3,006	1,125,012	1,000	697,895	739,522	774,394	3,340,829
Profit 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 year end	3,006	1,125,012	1,000	687,048	712,279	739,665	3,268,010

The notes on pages 43 to 97 are an integral part of these annual financial statements.

Consolidated statement of cash flows

		Group		Company	
		2022	2021	2022	2021
	Notes	K'000	K'000	K'000	K'000
Cash flows from operating activities					
Cash generated from operations	29(i)	308,323	206,761	153,025	119,664
Interest paid on borrowings	29(ii)	(53,473)	(38,998)	(53,473)	(35,380)
Interest paid on leases	29(ii)	(1,813)	(3,268)	(784)	(1,634)
Benefits paid	26(i)	(9,672)	(6,970)	(3,247)	(3,472)
Income tax paid	10	(44,877)	(4,734)	(9,828)	(2,997)
Net cash in/(out)flow from operating activities		198,488	152,791	85,867	76,181
Cash flows from investing activities					
Purchase of property, plant and equipment	11	(222,135)	(103,051)	(109,858)	(37,394)
Proceeds from disposal assets		2,819	-	-	124
Net cash outflow from investing activities		(219,316)	(103,051)	(109,858)	(37,270)
Cash flows from financing activities					
Proceeds from borrowings	29(ii)	722,995	669,619	722,995	669,619
Principal repayments of borrowings	29(ii)	(526,205)	(740,611)	(526,205)	(740,611)
Principal elements of lease payments	29(ii)	(14,965)	(30,879)	(7,322)	(14,163)
Net cash in/(out)flow from financing activities		181,825	(101,871)	189,468	(85,155)
Net increase/(decrease) for the year		160,997	(52,131)	165,303	(46,244)
Movement in cash and cash equivalents					
At start of year		(288,665)	(236,909)	(193,224)	(158,177)
Net increase /(decrease)		160,997	(52,131)	165,303	(46,244)
Exchange differences		(40)	375	45	11,197
At year end	19	(127,708)	(288,665)	(27,876)	(193,224)

The notes on pages 43 to 97 are an integral part of these annual financial statements.

Notes to annual financial statements
For the year ended 30 September 2022

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, stock feed and flour.

The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 12,257 Hectares of row crops under irrigation and 8,780 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 2022 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.

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 2021.

The amendments to accounting standards below effective for the reporting period 1 October 2021 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.

*Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2).*Annual periods beginning on or after 1 January 2021 (Published August 2020).The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.

IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment. Annual periods beginning on or after 1 June 2020 (early adoption is permitted) (Published June 2020).The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

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 2022 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.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

2 Summary of significant accounting policies (continued)

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

Amendment to IFRS 3, 'Business combinations' Asset or liability in a business combination clarity. Annual periods beginning on or after 1 January 2022 (Published May 2020) The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination.

In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework.

The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

Amendments to IAS 16 'Property, Plant and Equipment': Proceeds before Intended Use. Annual periods beginning on or after 1 January 2022 (Published May 2020).The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract. Annual periods beginning on or after 1 January 2022 (Published May 2020). The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

Annual improvements cycle 2018 -2020. Annual periods beginning on or after 1 January 2022

(Published May 2020).

These amendments include minor changes to:

- IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS;
- IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation;
- IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current. Annual periods beginning on or after 1 January 2022. (Published Jan 2020). The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

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.

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.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

2 Summary of significant accounting policies (continued)

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.

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.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

2 Summary of significant accounting policies (continued)

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.

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.

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.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

2 Summary of significant accounting policies (continued)

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 stock feed. 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.

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%
Plant & machinery	10%
Aircraft	10%
Land	Unexpired remaining life

Assets classified as land are not depreciated.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

2 Summary of significant accounting policies (continued)

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.

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). 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

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.

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.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

2 Summary of significant accounting policies (continued)

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.

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).

Notes to annual financial statements (continued)

For the year ended 30 September 2022

2 Summary of significant accounting policies (continued)

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.

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.

o) 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.

p) 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.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

2 Summary of significant accounting policies (continued)

q) 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.

r) 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.

s) 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.

t) 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 2022

2 Summary of significant accounting policies (continued)

t) 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.

u) 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.

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.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

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.

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.

a) Market risk

i) *Foreign exchange risk exposure*

Foreign exchange risk arises when recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the United States Dollar (US$). These risks are minimised by matching the foreign currency receipts to the foreign currency payments as well as holding foreign currency bank accounts and export sales.

Notes to annual financial statements (continued)
For the year ended 30 September 2022

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 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 payable	(88,858)	(88,858)
Lease liabilities	(7,127)	(7,127)
	(132,316)	**(132,300)**
Net exposure	(53,817)	(73,006)
As at 30 September 2021		
Financial assets:		
Cash and cash equivalents	76,631	23,807
Trade and other receivables	151,824	45,270
	228,455	69,077
Financial liabilities:		
Bank overdrafts	(83,234)	(83,234)
Bank loans	(82,133)	(82,133)
Trade and other payables	(276,122)	(191,899)
Lease liabilities	(12,959)	(12,959)
	(454,448)	(370,225)
Net exposure	(225,993)	(301,148)

Sensitivity

At 30 September 2022, 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	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Impact on profit and equity	85,030	136,725	115,350	12,397

Notes to annual financial statements (continued)
For the year ended 30 September 2022

4 Financial risk management (continued)

a) Market risk (continued)

ai) *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:

	2022	% of total loans	2021	% of total loans
	K'000		K'000	
Group				
Variable rate borrowings	647,547	68%	896,468	100%
Company				
Variable rate borrowings	459,891	60%	712,681	100%

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 2022, with all other variables held constant, a 5 % (2021: 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	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Impact on profit and equity	47,577	44,823	38,194	35,634

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.

bi) *Price risk*

The Group does not hold any financial instruments subject to price risk (2021: 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.

i) *Risk management*

For banks and financial institutions, the Group only accepts 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

Notes to annual financial statements (continued)

For the year ended 30 September 2022

4 Financial risk management (continued)

b) *Credit risk (continued)*

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 2022 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.

On that basis, the loss allowance as at 30 September 2022 and 30 September 2021 was determined as follows for trade receivables:

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	(13,767)	-	-	-	(13,767)
Amortised cost	84,432	5,460	309	1,087	91,288
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	(6,281)	-	-	-	(6,281)
Amortised cost	21,103	1,533	-	-	22,636

30 September 2021	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	137,825	20,830	1,784	6,026	166,465
Expected loss rate	3.96%	3.55%	7.06%	89.99%	
Loss allowance	(5,456)	(740)	(126)	(5,421)	(11,743)
Amortised cost	132,369	20,090	1,658	605	154,722
Company					
Gross carrying amount	74,056	15,397	101	5,843	95,397
Expected loss rate	0.3%	3.0%	11.0%	92.0%	
Loss allowance	(222)	(461)	(11)	(5,369)	(6,063)
Amortised cost	73,834	14,936	90	474	89,334

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
At start of year	11,743	10,723	6,603	5,298
Charge recognised in profit or loss	17,869	3,306	7,876	1,188
Utilised	-	(2,286)	-	(423)
	29,612	11,743	14,479	6,063

Notes to annual financial statements (continued)

For the year ended 30 September 2022

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	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Performing debtors	6,065	6,322	2,811	1,234
Non-performing debtors - over 90 days	23,547	5,421	5,421	5,369
	29,612	11,743	8,232	6,063

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 2022

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	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Floating rate				
Expiring within one year	384,764	257,857	572,420	441,644

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 in denominated currency and have an average maturity of 1 years (2021:1 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 2022					
Group					
Trade and other payables*	612,842	-	-	-	612,842
Borrowings	598,871	55,732	430,161	-	1,084,764
Lease liabilities	7,094	6,453	5,791	7,991	27,329
	1,218,807	62,185	435,952	7,991	1,724,935
Company					
Trade and other payables*	362,760	-	-	-	362,760
Borrowings	384,943	55,732	430,161	-	870,836
Lease liabilities	5,790	5,225	-	-	11,015
	753,493	60,957	430,161	-	1,244,611
At 30 September 2021					
Group					
Trade and other payables*	496,359	-	-	-	496,359
Borrowings	397,456	122,456	-	-	519,912
Lease liabilities	13,085	5,434	1,563	3,345	23,427
	906,900	127,890	1,563	3,345	1,039,698
Company					
Trade and other payables*	388,273	-	-	-	388,273
Borrowings	382,873	106,737			489,610
Lease liabilities	6,945	3,159	-	-	10,104
	778,091	109,896	-	-	887,987

*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 2022

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 2022, 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 31 December 2022 and 31 December 2021 were as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Net debt (Note 29 (ii))	745,217	714,600	637,978	607,958
Total equity attributable to parent	3,693,331	3,688,361	3,268,010	3,340,829
Gearing ratio	20%	20%	19%	19%

Notes to annual financial statements (continued)

For the year ended 30 September 2022

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 2022	**K'000**	**K'000**	**K'000**	**K'000**
Group				
Non-financial assets:				
Property plant and equipment	-	-	3,134,611	3,134,611
Biological assets	-	320,699	-	320,699
	-	320,699	3,134,611	3,455,310
Company				
Non-financial assets:				
Property plant and equipment	-	-	2,158,021	2,158,021
Biological assets	-	269,652	-	269,652
	-	269,652	2,158,021	2,427,673
At 30 September 2021				
Group				
Non-financial assets:				
Property plant and equipment	-		3,071,735	3,071,735
Biological assets	-	358,997	-	358,997
	-	358,997	3,071,735	3,430,732
Company				
Non-financial assets:				
Property plant and equipment	-		2,158,613	2,158,613
Biological assets	-	307,754	-	307,754
	-	307,754	2,158,613	2,466,367

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 2022

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	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Financial assets at amortised cost				
Trade and other receivables* (excluding prepayments)	131,056	201,763	723,976	869,868
Cash and cash equivalents	223,973	201,539	136,149	111,136
	355,029	403,302	860,125	981,004
Financial liabilities at amortised cost				
Borrowings	951,547	896,468	763,891	712,681
Lease liabilities	17,643	19,671	10,232	8,470
Trade and other payables** (excluding prepayments)	612,842	496,359	362,760	388,273
	1,582,032	1,412,498	1,136,883	1,109,424

Notes to annual financial statements (continued)

For the year ended 30 September 2022

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 from a product perspective and has identified two aggregated reportable segments of its business as shown in the table below. The business activities are grouped in these segments based on the nature of their products and services.

- *Retailing and food production: This part of business sells cold food chain products are mainly beef, chicken, pork, fish, milk 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 individual segments ((beef, chicken, pork, fish, dairy products, day-old chicks and stockfeed) have been aggregated into 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.

The CODMs primarily use a measure of gross profit to assess the performance of the operating segments. Interest income, finance costs 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 while assets are shared between the segments. 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 Food Production	Cropping & Milling	Total
2022	**K'000**	**K'000**	**K'000**
Segment revenue	5,363,544	3,314,797	8,678,341
Inter-segment eliminations	(2,034,457)	(1,249,123)	(3,283,580)
External revenue	3,329,087	2,065,674	5,394,761
Gross profit	743,970	889,216	1,633,186
2021			
Segment revenue	5,010,359	2,795,857	7,806,216
Inter-segment eliminations	(1,705,770)	(1,126,095)	(2,831,865)
External revenue	3,304,589	1,669,762	4,974,351
Gross profit	853,462	617,254	1,470,716

Company	Retailing and Food Production	Cropping & Milling	Total
2022	**K'000**	**K'000**	**K'000**
Segment revenue	1,103,568	2,257,860	3,361,428
Gross profit	292,687	580,551	873,238
2021			
Segment revenue	1,043,621	1,836,441	2,880,062
Gross profit	287,869	506,622	794,491

Notes to annual financial statements (continued)

For the year ended 30 September 2022

5 Segment reporting (continued)

i) *Segment revenue (continued)*

Gross profit by segment reconciles to operating profit as follows:

Group	Retailing and Food Production	Cropping & Milling	Total
2022	**K'000**	**K'000**	**K'000**
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)
Impairment of investment in subsidiaries	-	-	-
Operating profit	(88,316)	261,980	173,664
2021			
Gross profit by segment	827,447	643,269	1,470,716
Other income/(expenses)	(4,949)	(6,802)	(11,751)
Distribution and administrative expenses	(722,524)	(490,042)	(1,212,566)
Impairment of goodwill	-	-	-
Operating profit	99,974	146,425	246,399
Company			
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
2021			
Gross profit by segment	287,869	506,622	794,491
Other income/(expenses)	(3,479)	(8,119)	(11,598)
Distribution and administrative expenses	(22,653)	(413,499)	(636,152)
Impairment of goodwill	-	-	-
Operating profit	61,736	85,005	146,741

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Operating profit	173,664	246,399	15,148	146,741
Unallocated:				
Share of loss from equity investment	(3,503)	(3,358)	(3,503)	(3,358)
Finance income	3,541	45,897	3,534	56,792
Finance costs	(118,538)	(116,916)	(91,009)	(84,980)
Profit before income tax	**55,164**	**172,022**	**(75,830)**	**115,195**

Notes to annual financial statements (continued)

For the year ended 30 September 2022

5 Segment reporting (continued)

ii) *Disaggregated revenue streams*

	Group		Company	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Retailing	3,098,958	2,906,466	-	-
Beef	694,603	630,140	683,836	621,397
Chicken	463,003	436,035	16,291	11,972
Pork	362,024	396,788	936	21,089
Fish	2,186	14,465	2,186	14,465
Dairy products	338,894	278,913	220,427	240,715
Stockfeed	3,458,062	1,747,742	1,584,367	1,014,466
Day-old chicks	280,504	224,577	-	-
Wheat	114,303	152,854	114,303	152,854
Soya	337,329	395,671	337,329	395,671
Maize grain	52,485	53,805	52,485	53,805
Flour mil	261,863	280,478	261,863	280,478
Other	87,404	73,150	87,404	73,150
Less: intercompany sales	(3,156,858)	(2,616,732)	-	-
	5,394,761	4,974,351	3,361,428	2,880,062

iii) *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 Limited.

	Company	Retailing Ltd	Masterpork	Other	Total
	K'000	K'000	K'000	K'000	K'000
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
As at 30 September 2021					
Total assets	4,692,197	453,106	214,485	129,709	5,489,497
Total liabilities	1,351,368	251,458	110,028	90,901	1,803,755

6 Other income/(expenses)

	Group		Company	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Rental income	6,069	14,120	5,339	12,870
Loss on disposal of fixed assets	(29,386)	(2,260)	(21,772)	(553)
Exchange losses on working capital	25,808	(20,305)	33,758	(22,727)
	2,491	(8,445)	17,325	(10,410)

Notes to annual financial statements (continued)

For the year ended 30 September 2022

7 Breakdown of expenses by nature

	Group		Company	
	2022	2021	2022	2021
Cost of sales of providing goods:	K'000	K'000	K'000	K'000
Changes in inventory – Retail products	588,272	507,909	-	-
Changes in inventory – Beef products	536,286	364,410	316,606	247,938
Changes in inventory – Poultry products	129,531	66,999	2,069	6,671
Changes in inventory – Consumables	234,278	273,210	97,822	146,676
Changes in inventory – Feed	1,524,799	1,453,678	1,022,700	1,048,326
Changes in inventory – Grain	47,481	137,529	33,836	155,078
Changes in inventory – Milling products	10,487	66,270	11,488	67,065
Changes in inventory – Farm inputs	602,930	1,062,415	285,247	183,666
Production and overhead costs	55,488	50,588	177,254	274,633
Fuel expenses	41,151	30,768	41,151	22,459
Transport	88	1,189	7,813	20,997
Veterinary	15,459	14,693	16,708	17,838
Other miscellaneous expenses	324,787	302,338	813,548	439,567
	4,111,037	4,331,996	2,826,242	2,630,914
Distribution expenses:				
Employee benefits expense (Note 9)	29,447	21,771	-	-
Depreciation	16,612	14,527	-	-
Repairs and maintenance	4,735	11,641	-	-
Levies and licenses	6,483	5,985	-	-
Transport	1,682	5,680	67,118	-
Boarding and Lodging	-	2,709	-	-
Insurance	1,022	1,730	-	-
Satellite	696	1,262	-	-
Travel	701	559	-	-
Other	4,218	984	-	-
	65,596	66,848	67,118	-
Administrative expenses:				
Depreciation	105,471	145,944	48,343	94,913
Employee benefits expense (Note 9)	638,489	626,772	360,683	352,995
Legal and other professional fees	24,639	30,124	19,012	30,124
Directors' remuneration	13,648	16,675	13,648	16,675
Auditors' remuneration	4,100	5,700	6,504	3,600
Repairs and maintenance	118,256	119,157	66,182	53,929
Water and electricity	72,532	70,980	43,592	28,554
Other miscellaneous expenses	259,627	130,366	100,671	55,362
	1,236,762	1,145,718	658,635	636,152
Total expenses	5,413,395	5,544,562	3,551,995	3,267,066

8 Finance income and costs

Finance income:				
Exchange gains on borrowings (Note 29(ii))	3,188	39,860	3,188	39,860
Exchange gains on leases (Note 29(ii)	353	6,037	346	16,932
	3,541	45,897	3,534	56,792
Finance costs:				
Interest expense on bank overdrafts	(63,252)	(74,650)	(36,752)	(47,966)
Interest expense on borrowings (Note 29(ii))	(53,473)	(38,998)	(53,473)	(35,380)
Interest expense on leases (Note 29(ii))	(1,813)	(3,268)	(784)	(1,634)
	(118,538)	(116,916)	(91,009)	(84,980)
Net finance costs	(114,997)	(71,019)	(87,475)	(28,188)

Notes to annual financial statements (continued)

For the year ended 30 September 2022

9 Employee benefit expense

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Salaries and other staff costs	571,910	576,112	331.662	310,831
Retirement benefits costs:				
Social security costs	49,207	39,518	14,668	28,879
Pension costs	46,819	32,913	14,352	13,285
	667,936	648,543	360,682	352,995
Allocated as:				
Distribution expenses	29,447	21,771	-	-
Administrative expenses	638,489	626,772	360,682	352,995
	667,936	648,543	360,682	352,995

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	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Current income tax charge	73,333	16,541	27,029	1,042
Deferred tax charge (Note 25)	(5,639)	18,607	5,181	14,753
	67,694	35,148	32,210	15,795

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Profit before income tax from:				
Continuing operations	55,164	172,022	(75,830)	115,195
Discontinued operations	44,108	31,949	44,108	31,949
	99,272	203,971	(31,722)	147,144
Tax at rate of 10% (2021: 10%)	9,927	20,397	(3,172)	14,714
Tax effects of:				
Expenses not deductible for tax purposes	45,988	6,550	35,382	1,081
Effect of difference in tax rates	11,779	8,201	-	-
	67,694	35,148	32,210	15,795
Income tax expense is attributable to:				
Profit from continuing operations	63,283	31,953	27,799	12,600
Profit from discontinued operation	4,411	3,195	4,411	3,195
	67,694	35,148	32,210	15,795

Notes to annual financial statements (continued)
For the year ended 30 September 2022

10 Income tax expense (continued)

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
At start of year	10,064	(1,743)	(2,520)	(565)
Current income tax charge	73,333	16,541	27,029	1,042
Payments made during the year	(44,877)	(4,734)	(9,828)	(2,997)
At end of year	38,520	10,064	14,681	(2,520)

iii) Analysis of tax losses

During the year, the Group carried forward tax losses of K275.4 million (2021: K413.5 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 2017	-	30 September 2022
30 September 2018	214,157	30 September 2023
30 September 2019	16,729	30 September 2024
30 September 2020	4,794	30 September 2025
30 September 2021	37,549	30 September 2026
30 September 2022	2,159	30 September 2027
Total	275,388	

Notes to annual financial statements (continued)

For the year ended 30 September 2022

11 Property, plant and equipment

Group	Land and buildings	Aircraft	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2020	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	2,431,488	865	945,804	95,392	38,607	11,022	3,523,178
Accumulated depreciation	(44,568)	(259)	(205,291)	(50,905)	(8,836)	-	(309,859)
Net book value	2,386,920	606	740,513	44,487	29,771	11,022	3,213,319
Year ended 30 September 2021							
Opening net book value	2,386,920	606	740,513	44,487	29,771	11,022	3,213,319
Additions	8,956	-	19,004	19,671	8,276	47,144	103,051
Transfers	18,688		11,898	865	556	(32,007)	-
Revaluation surplus	83,720	-	48,463	52,756	7,464	-	192,403
Disposals -cost		(865)	4,544	(2,106)	(69)	-	1,504
Disposals-accumulated depreciation	-	259	(1,388)	1,102	60	-	33
Depreciation charge	(17,225)	-	(96,918)	(24,404)	(4,618)		(143,165)
Exchange differences	(249,600)	-	(44,617)	(583)	(568)	(42)	(295,410)
Net book value	2,231,459	-	681,499	91,788	40,872	26,117	3,071,735
As at 30 September 2021							
Cost or fair value	2,234,711	-	685,643	93,729	41,970	26,159	3,082,212
Accumulated depreciation	(3,252)	-	(4,144)	(1,941)	(1,098)	(42)	(10,477)
Net book value	2,231,459	-	681,499	91,788	40,872	26,117	3,071,735

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 2022

11 Property, plant and equipment (continued)

Group	Land and 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**
Cost or fair value	2,234,711	685,643	93,729	41,970	26,159	3,082,212
Accumulated depreciation	(3,252)	(4,144)	(1,941)	(1,098)	(42)	(10,477)
Net book value	2,231,459	681,499	91,788	40,872	26,117	3,071,735
Year ended 30 September 2022						
Opening net book value	2,231,459	681,499	91,788	40,872	26,117	3,071,735
Additions	4,071	968	9,924	3,492	203,680	222,135
Transfers	15,953	93,300	24,116	8,177	(141,546)	-
Revaluation surplus	1,219	-	-	-	-	1,219
Disposals -cost	(15,234)	(5,329)	(1,096)	(49)	(7,550)	(29,258)
Disposals-accumulated depreciation	770	-	6	5	-	781
Depreciation charge	(16,034)	(61,095)	(24,385)	(9,577)	-	(111,092)
Exchange differences	(10,963)	(9,870)	(57)	(19)	-	(20,909)
Net book value	2,211,241	699,473	100,296	42,900	80,701	3,134,611
As at 30 September 2022						
Cost or fair value	2,230,527	764,712	126,622	53,575	80,701	3,256,137
Accumulated depreciation	(19,286)	(65,239)	(26,326)	(10,675)	-	(121,526)
Net book value	2,211,241	699,473	100,296	42,900	80,701	3,134,611

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 2022

11 Property, plant and equipment (continued)

Company	Land and buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2020	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	1,972,733	603,570	23,415	19,534	8,276	2,627,528
Accumulated depreciation	(21,191)	(135,818)	(12,456)	(4,143)	0	(173,608)
Net book value	1,951,542	467,752	10,959	15,391	8,276	2,453,920
Year ended 30 September 2021						
Opening net book value	1,951,542	467,752	10,959	15,391	8,276	2,453,920
Additions	1,249	11,311	3,261	3,518	18,055	37,394
Transfers	12,607	5,854	0	0	(18,461)	0
Revaluation surplus	35,103	(12,855)	14,441	3,436	0	40,125
Disposals-cost	0	(1,385)	(141)	(64)	0	(1,590)
Disposals-accumulated depreciation	0	751	110	52	0	913
Depreciation charge	(8,612)	(66,185)	(5,058)	(2,205)	0	(82,060)
Exchange differences	(249,603)	(53,934)	(980)	(505)	0	(305,022)
Net book value	1,742,286	351,309	22,592	19,623	7,870	2,143,680
As at 30 September 2021						
Cost or fair value	1,742,286	351,309	22,592	19,623	7,870	2,143,680
Accumulated depreciation	-	-	-	-	-	-
Net book value	1,742,286	351,309	22,592	19,623	7,870	2,143,680

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 2022

11 Property, plant and equipment (continued)

Company	Land and buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 31 30 September 2021	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	1,742,286	351,309	22,592	19,623	7,870	2,143,680
Accumulated depreciation	-	-	-	-	-	-
Net book value	1,742,286	351,309	22,592	19,623	7,870	2,143,680
Year ended 30 September 2022						
Opening net book value	1,742,286	351,309	22,592	19,623	7,870	2,143,680
Additions	1,440	3,711	2,010	590	102,107	109,858
Transfers	3,804	55,812	3,263	2,920	(65,799)	-
Revaluation surplus	-	-	-	-	-	-
Disposals-cost	(215)	(30,292)	(101)	(3)	(6,792)	(37,404)
Disposals-accumulated depreciation	0	2,196	6	1	-	2,203
Depreciation charge	(7,361)	(30,903)	(4,752)	(4,181)	-	(47,197)
Exchange differences	(10,963)	(2,081)	(57)	(19)	-	(13,120)
Net book value	1,728,991	349,752	22,961	18,931	37,386	2,158,021
As at 30 September 2022						
Cost or fair value	1,736,352	368,954	24,826	23,111	37,386	2,190,699
Accumulated depreciation	(7,361)	(19,202)	(1,865)	(4,180)	-	(32,608)
Net book value	1,728,991	349,752	22,961	18,931	37,386	2,158,021

Assets classified as capital work in progress mainly relate to the costs incurred for the ongoing farm expansion projects at the Group'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 2022

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	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Cost	1,877,967	1,679,925	1,360,195	1,277,585
Accumulated depreciation	(1,008,426)	(896,794)	(903,307)	(846,742)
	869,541	783,131	456,888	430,843

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) Right of use assets

Group	Buildings	Plant and machinery	Total
As at 30 September 2020	**K'000**	**K'000**	**K'000**
Cost	15,425	60,381	75,806
Accumulated depreciation	(8,362)	(16,258)	(24,620)
Net book value	7,063	44,123	51,186
Year ended 30 September 2021			
Opening net book value	7,063	44,123	51,186
Additions	7,843	5,735	13,578
Derecognised - cost	-	(5,964)	(5,964)
Derecognised - accumulated depreciation	-	1,789	1,789
Depreciation charge	(9,404)	(7,902)	(17,306)
Net book value	5,502	37,781	43,283
As at 30 September 2021			
Cost	23,268	60,152	83,420
Accumulated depreciation	(17,766)	(22,371)	(40,137)
Net book value	5,502	37,781	43,283

Notes to annual financial statements (continued)
For the year ended 30 September 2022

12 Leases (continued)

a) ***Right of use assets (continued)***

Group	Buildings	Plant and machinery	Total
As at 30 September 2021	**K'000**	**K'000**	**K'000**
Cost	23,268	60,152	83,420
Accumulated depreciation	(17,766)	(22,371)	(40,137)
Net book value	5,502	37,781	43,283
Year ended 30 September 2022			
Opening net book value	5,502	37,781	43,283
Additions	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	8,903	23,486	32,389
As at 30 September 2022			
Cost	28,187	47,134	75,321
Accumulated depreciation	(19,284)	(23,648)	(42,932)
Net book value	8,903	23,486	32,389
Company			
As at 30 September 2020			
Cost	-	29,454	29,454
Accumulated depreciation	-	(6,980)	(6,980)
Net book value	-	22,474	22,474
Year ended 30 September 2021			
Opening net book value	-	22,474	22,474
Additions	-	5,735	5,735
Depreciation charge	-	(5,406)	(5,406)
Net book value		22,803	22,803
As at 30 September 2021			
Cost	-	35,189	35,189
Accumulated depreciation	-	(12,386)	(12,386)
Net book value	-	22,803	22,803

Notes to annual financial statements (continued)

For the year ended 30 September 2022

12 Leases (continued)

a) *Right of use assets (continued)*

Year ended 30 September 2022	Buildings	Plant and machinery	Total
Company			
Opening net book value	-	22,803	22,803
Additions		10,156	10,156
Depreciation charge	-	(9,368)	(9,368)
Net book value	-	23,591	23,591
As at 30 September 2022			
Cost	-	45,345	45,345
Accumulated depreciation	-	(21,754)	(21,754)
Net book value	-	23,591	23,591

b) *Lease liabilities*

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Current	5,046	12,418	4,878	6,597
Non-current	12,597	7,253	5,354	1,873
	17,643	19,671	10,232	8,470

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

ai) *Amounts recognised in the statement of profit or loss*

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Depreciation charge:	10,451	17,306	8,222	3,495
Interest expense on lease liabilities	1,822	1,634	784	1,634
Expense relating to short-term leases	20,783	8,237	5,790	8,237
	33,056	27,177	14,796	13,366

During the year, there were no expenses relating to low-value assets and variable lease payments recognised in profit or loss (2021: Nil).

bi) *Maturity analysis of contractual lease payments outstanding*

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Within 1 year	7,094	13,085	5,790	6,945
Between 1 and 2 years	6,453	5,434	5,225	3,159
Between 2 and 3 years	1,843	625	-	-
Between 3 and 4 years	1,972	469	-	-
Between 4 and 5 years	1,976	469	-	-
Later than 5 years	7,991	3,345	-	-
Minimum lease payments	27,329	23,427	11,015	10,104
Finance charges	(9,686)	(3,756)	(784)	(1,634)
Net present value	17,643	19,671	10,231	8,470

The Group did not receive any COVID-19-related rent concessions during the year (2021: Nil).

Notes to annual financial statements (continued)

For the year ended 30 September 2022

13 Goodwill

Goodwill is monitored by management at the level of the three cash-generating units (CGU). During the year, the Directors assessed the future economic performance of Zamchick and were of the view that the goodwill on this CGU was impaired as the market was challenged. A CGU-level summary of the goodwill allocation is presented below:

	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	Zamchick	Zamhatch
Year ended 30 September 2022			
Budgeted average operating margins	2%	10%	17%
Discount rates	22.8%	21.2%	22.8%
Long-term growth rate	7.3%	6.3%	7.3%
Year ended 30 September 2021			
Budgeted average operating margins	4%	9%	16%
Discount rates	17%	15.5%	15%
Long-term growth rate	10%	8%	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:

	Impact on headroom		
	Masterpork	**Zamchick**	**Zamhatch**
Year ended 30 September 2022	**K'000**	**K'000**	**K'000**
Budgeted average operating margins (-2%)	(50,067)	-	(170,921)
Discount rates (+1%)	(8,021)	-	(109,589)
Long-term growth rate (-2%)	(7,133)	-	(130,333)
Year ended 30 September 2021			
Budgeted average operating margins (-2%)	(133,906)	(120,806)	(112,107)
Discount rates (+1%)	(42,962)	(91,750)	(125,938)
Long-term growth rate (-2%)	(61,233)	(127,064)	(165,772)

A reduction in the average operating profit margine of 2% in the Masterpork - CGU will give rise to an impairment.

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:

	2022	2021
	K'000	**K'000**
Masterpork Limited	18,610	185,633
Zamchick Limited	-	321,184
Zamhatch Limited	854,733	801,831

Notes to annual financial statements (continued)

For the year ended 30 September 2022

14 Investment in subsidiaries

a) Subsidiaries

The Group's investments in subsidiaries at 30 September 2022 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	2022	2021
	K'000	K'000
Investment in subsidiaries	245,807	245,807
Impairment (Note 13)	(141,787)	-
	104,020	245,807

Subsidiary	2022	2021
	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	158,230
Zamhatch Limited	57,942	57,942
	104,020	245,807

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
		2022	2021	
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 stock feed

b) Non-controlling interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Nigeria - Master Meat Ltd		Ghana - Master Meat Ltd	
	2022	2021	2022	2021
Statement of profit or loss	K'000	K'000	K'000	K'000
Revenue	238,317	256,481	53,672	70,079
Profit for the year	11,895	3,831	470	771
Other comprehensive income	-	-	-	-
Total comprehensive income	11,895	3,831	470	771
Profit allocated to NCI	2,379	766	47	77
Dividends paid to NCI	-	-	-	-
Statement of financial position				
Current assets	29,087	33,500	3,435	6,842
Current liabilities	(71,989)	(80,424)	(5,536)	(6,159)
Net current liabilities	(42,902)	(46,924)	(2,101)	683
Non-current assets	30,424	33,090	704	840
Non-current liabilities	-	-	(31)	(47)
Net non-current assets	30,424	33,090	673	793
Net (liabilities)/assets	(12,478)	(13,834)	(1,428)	1,476
Accumulated NCI	1,638	(741)	(1,572)	(1,878)
Statement of cash flows				
Cash flows from operating activities	11,895	3,811	470	771
Cash flows from investing activities	(109)	(477)	(10)	(33)
Cash flows from financing activities	-	-	-	-
Net increase in cash	11,786	3,334	460	738

Notes to annual financial statements (continued)

For the year ended 30 September 2022

15 Investment in associates

Set out below is the associate of the Group as at 30 September 2022 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.

Name of subsidiary	Place of incorporation	Ownership interest		Nature of relationship
		2022	2021	
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.

Based on the discounted cashflow projections on a five-year period, the Directors are of the opinion that the investment in associate is not impaired. The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	2022	2021
	K'000	K'000
Budgeted average operating margins	6.65%	6%
Discount rates	23.5%	20%
Long-term growth rate	5%	4.5%

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 the investment in associate to changes in the weighted principal assumptions is:

	2022	2021
	K'000	K'000
Budgeted average operating margins (-2%)	(6,920)	(6,682)
Discount rates (+1%)	(2,424)	(2,318)
Long-term growth rate (-2%)	(831)	(659)

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 (2021: K4.4 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:

	2022	2021
	K'000	K'000
Investment in associate	2,242	2,300

The Group had no commitments and contingent liabilities in respect of associate (2021: Nil).

Notes to annual financial statements (continued)

For the year ended 30 September 2022

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.

	2022	2021
	K'000	**K'000**
Statement of profit or loss:		
Revenue	2,854	4,313
Loss from continuing operations	(35,028)	(33,582)
Profit from discontinued operations	-	-
Loss for the year	(35,028)	(33,582)
Other comprehensive income	-	-
Total comprehensive income	(35,028)	(33,582)
Statement of financial position:		
Non-current assets	262,279	270,693
Current assets	17,384	31,757
Total assets	279,663	302,450
Capital and reserves	75,609	111,278
Non-current liabilities	185,374	173,768
Current liabilities	18,680	17,404
Total equity and liabilities	279,663	302,450

ii) Reconciliation of carrying amounts:

At start of year	40,468	43,826
Share of loss for the year	(3,503)	(3,358)
Share of other comprehensive income	-	-
At end of year	36,965	40,468

Notes to annual financial statements (continued)

For the year ended 30 September 2022

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 2021						
At start of year	16,626	40,652	62,380	4,120	52,527	176,305
Increase due to purchases	518,097	324,237	102,248	13,241	474,082	1,431,905
Change in fair value of biological assets:						
Due to biological transformation	434,115	71,910	39,818	7,323	268,544	821,710
Due to price changes	-	-	3,323	3,328	-	6,651
	434,115	71,910	43,141	10,651	268,544	828,361
Transfer of harvest to inventory	(914,253)	-	-	-	-	(914,253)
Decrease due to slaughter/sale	-	(280,485)	(136,404)	(20,394)	(726,038)	(1,163,321)
At end of year	**54,585**	**156,314**	**71,365**	**7,618**	**69,115**	**358,997**
Current	54,585	156,314	-	7,618	69,115	287,632
Non-current	-	-	71,365	-	-	71,365
	54,585	**156,314**	**71,365**	**7,618**	**69,115**	**358,997**
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	407,488	119,963	12,977	174,992	1,120,065
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**

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 2022

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 2021					
At start of year	16,626	40,652	62,380	19,843	139,501
Increase due to purchases	518,097	324,237	102,248	74,919	1,019,501
Change in fair value of biological assets:					
Due to biological transformation	434,115	71,910	39,818	(3,823)	542,020
Due to price changes	-	-	3,323	-	3,323
	434,115	71,910	43,141	(3,823)	545,343
Transfer of harvest to inventory	(914,253)	-	-	-	(914,253)
Decrease due to slaughter/sale	-	(280,485)	(136,404)	(65,255)	(482,144)
At end of year	**54,585**	**156,314**	**71,365**	**25,684**	**307,948**
Current	54,585	156,314	-	25,684	236,583
Non-current	-	-	71,365	-	71,365
	54,585	**156,314**	**71,365**	**25,684**	**307,948**
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	75,125	22,290	(52,186)	338,052
Due to price changes	-	-	-	-	-
	292,823	75,125	22,290	(52,186)	338,052
Transfer of harvest to inventory	(684,069)	-	-	-	(684,069)
Decrease due to slaughter/sale	-	(427,151)	(8,876)	(49,309)	(485,336)
At end of year	**67,984**	**115,077**	**86,592**	**-**	**269,653**
Current	67,984	115,077	-	-	183,061
Non-current	-	-	86,592	-	86,592
	67,984	**115,077**	**86,592**	**-**	**269,653**

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 2022

16 Biological assets (continued)

ii) *Number of hectares and livestock*

As at 30 September 2022, the Group had the following number of hectares and livestock

	Group		Company	
	2022	**2021**	**2022**	**2021**
Number of hectares				
Standing crop	928	811	928	811
Number of livestock				
Feedlot cattle	9,036	12,836	9,036	12,836
Dairy cattle	3,254	3,407	3,254	3,407
Chickens	229,475	759,611	-	282,695
Pigs	-	3,744	-	-
Culled animals				
Feedlot cattle	41,039	32,591	41,039	32,591
Dairy cattle	1,186	976	1,186	976
Pigs	5,319	6,459	5,319	-
Chickens	6,753,961	8,225,446	-	-

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	
	2022	**2021**	**2022**	**2021**
Average weight - kg				
Bulls	605	685	605	685
Heifers	401	373	401	373
Steers	433	501	433	501
Cows	464	469	464	469
Average yields per hectare - tons				
Wheat	8.0	8.13	8.0	8.13

iv) *Sensitivity*

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

	Impact on biological assets			
	Group		Company	
	2022	**2021**	**2022**	**2021**
Change in assumption	**K'000**	**K'000**	**K'000**	**K'000**
Average weight (-1%)	(1,510)	(2,637)	(1,510)	(2,638)
Average yields per hectare (-1%)	(680)	(573)	(680)	(573)

Notes to annual financial statements (continued)

For the year ended 30 September 2022

17 Inventory

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Trading stocks	544,345	455,847	429,358	306,922
Abattoir stocks	27,302	23,628	27,302	23,628
Raw materials	132,250	117,962	73,106	90,734
Stock feed	506,136	388,548	304,245	256,057
Consumables	220,337	203,175	143,656	95,631
Raw hides and chemicals	11,542	8,686	-	-
	1,441,912	**1,197,846**	**977,667**	**772,972**
Inventories recognised as an expense	3,674,064	3,932,420	1,769,768	1,855,420

18 Trade and other receivables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Trade receivables	137,565	166,465	53,791	95,377
Loss allowance (Note 4(b))	(29,612)	(11,743)	(14,479)	(6,063)
	107,953	154,722	39,312	89,314
Amounts due from related parties (Note 31)	3,123	4,202	609,450	710,080
Loans receivable (Note 31)	-	-	67,683	70,474
Prepayments	158,244	36,515	62,541	2,388
Other receivables	19,980	42,839	7,531	-
	289,300	**238,278**	**786,517**	**872,256**

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 (2021: Nil).

19 Cash and cash equivalents

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Cash at bank and in hand	**223,972**	**201,539**	**136,149**	**113,193**

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	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Balances as above	223,973	201,539	136,149	113,193
Bank overdrafts (Note 24)	(351,681)	(490,204)	(164,025)	(306,417)
Balances per statement of cash flows	**(127,708)**	**(288,665)**	**(27,876)**	**(193,224)**

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 2022

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*

	2022	2021
	K'000	K'000
Revenue	107,039	181,519
Expenses	(62,931)	(149,570)
Profit before income tax	44,108	31,949
Income tax expense	(4,411)	(3,195)
Profit for the year	39,697	28,754
Other comprehensive income	-	-
Total comprehensive income for the year	39,697	28,754

ii) *Cashflow information*

Net cash inflow from operating activities	44,108	31,949
Net cash inflow from investing activities	-	-
Net cash from financing activities	-	-
Net increase in cash generated by the farm	44,108	31,949

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:

	2022	2021
	K'000	K'000
Assets classified as held for sale		
Property plant and equipment	170,550	175,654
Additions	6,748	-
Depreciation*	(7,207)	(5,104)
	170,091	170,550

*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 (2021: Nil).

Notes to annual financial statements (continued)

For the year ended 30 September 2022

21 Share capital and share premium

	2022 Shares	2021 Shares	2022 K'000	2021 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 London and 162,903,611 are held by shareholders on the Lusaka Stock Exchange.

ii) *Preference shares*

The major shareholder, British International Investment Plc (BII), is the holder of 100,057,658 convertible redeemable preference shares with a par value of K0.01. These shares have four voting rights for every five preference shares held resulting in BII having 34.8% of the voting rights

The preference shares are convertible in whole or in part by BII into ordinary shares on a one-for-one basis for the first eight years from 2016 and thereafter on a basis of 3.0833 ordinary shares for each preference share. The Group has the right to redeem all or part of the preference shares at the redemption price, which will give BII a 12% compounded return on investment.

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

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, reserve arose from the translation of Mpongwe Farms which were foreign denominated up until 31 December 2021. The reserves are non-distributable.

	Group		Company	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
At start of year	720,131	1,003,834	697,895	969,830
Translation differences - foreign operations	(16,320)	(14,710)	-	-
Translation differences - Mpongwe Farms	(10,847)	(271,935)	(10,847)	(271,935)
Less translation difference - NCI	(259)	2,942	-	-
At end of year	692,705	720,131	687,048	697,895

Notes to annual financial statements (continued)

For the year ended 30 September 2022

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.

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
At start of year	1,160,653	1,034,388	739,522	745,684
Revaluation surplus (Note 11)	-	192,403	-	40,125
Excess depreciation	(53,928)	(44,377)	(30,155)	(46,972)
Deferred income tax (Note 25)	6,394	(21,761)	2,912	685
At end of year	**1,113,119**	**1,160,653**	**712,279**	**739,522**

24 Borrowings

	Group		Company	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Non-Current				
Bank loans	426,222	195,555	426,222	195,555
Current				
Bank loans	173,644	210,709	173,644	210,709
Bank overdrafts	351,681	490,204	164,025	306,417
	525,325	700,913	337,669	517,126
	951,547	**896,468**	**763,891**	**712,681**

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

ii) 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 7.41 %(2021: 3.25%)

International Finance Corporation (IFC)

During the year the Group entered into an Eight (8) year amortizing the 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 %(2021: 12 %).

Stanbic Bank Zambia Limited

The Group has a seasonal loan facility with an annual revolving limit. Interest on the facility is 8.5 per cent. above the Bank of Zambia policy rate per annum payable monthly in arrears. This facility is secured by a floating charge/debenture over all the assets of the 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 17.5 %(2021: 17%).

Notes to annual financial statements (continued)

For the year ended 30 September 2022

24 Borrowings (continued)

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 15.5% (2021:15%).

iii) 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 8.5 % (2021: 9.67%).

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).

iv) Compliance with loan covenants

Under the terms of the borrowing facilities, the Group is required to comply with the following financial covenants:

	Target	2022	2021
Interest cover ratio: (EBITDA/Interest charges)	>2.5	3.7	4.0
Current ratio: (Current assets/Current liabilities)	>1.3	1.8	1.6
Debt service cover ratio: (EBITDA/Debt service)	>1.5	1.53	1.7
Net debt to EBITDA ratio (Total debt- cash)/EBITDA)	<3.0	0.7	1.4
Loan to covenant value (Total debt/Total assets)	<130%	10%	12%
Liabilities to tangible net worth ratio (Total liabilities/(Equity-Goodwill-Deferred tax)	<1.0	0.5	0.5

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

v) 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	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
At start of year	235,250	195,444	138,117	124,190
Charge/(credit) in profit or loss	(5,639)	18,607	5,181	14,753
Charge/(credit) in equity	(6,394)	21,199	(3,018)	(826)
At end of year	223,217	235,250	140,280	138,117

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 2022

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 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**
Year ended 30 September 2021				
Deferred income tax liabilities				
Property, plant and equipment	106,198	(13,672)	-	92,526
Revaluation surplus	133,325	-	21,761	155,086
Change in fair value of biological assets	18,287	17,612		35,899
Deferred income tax assets				-
Tax losses carried forward	(54,446)	26,263		(28,183)
Defined benefit obligation	(1,427)	-	(562)	(1,989)
Other temporary differences	(6,493)	(11,596)	-	(18,089)
	195,444	**18,607**	**21,199**	**235,250**
Company				
Year ended 30 September 2022				
Deferred income tax liabilities				
Property, plant and equipment	57,281	17,478	-	74,759
Revaluation surplus	82,169	-	(3,018)	79,151
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)	-	(3,166)
Other temporary differences	(12,423)	2,476	-	(9,947)
	138,117	**5,181**	**(3,018)**	**140,280**
Year ended 30 September 2021				
Deferred income tax liabilities				
Property, plant and equipment	63,300	(6,019)	-	57,281
Revaluation surplus	82,854		(685)	82,169
Change in fair value of biological assets	14,929	15,866	-	30,795
Deferred income tax assets				
Tax losses carried forward	(33,074)	14,784	-	(18,290)
Defined benefit obligation	(1,274)	-	(141)	(1,415)
Other temporary differences	(2,545)	(9,878)	-	(12,423)
	124,190	**14,753**	**(826)**	**138,117**

Notes to annual financial statements (continued)
For the year ended 30 September 2022

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	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
At start of year	8,891	11,389	2,124	3,356
Current service cost	168	427	56	214
Past service cost	598	-	201	-
Interest cost	519	1,234	174	618
Amount recognised in profit or loss	1,285	1,661	431	832
Actuarial remeasurements			-	
Change in demographic assumptions	-	(1,596)	-	(798)
Change in financial assumptions	-	2,710	-	1,356
Early settlement (gains)/losses	2,895	-	972	
Experience adjustment	255	1,697	86	850
Amount recognised in equity	3,150	2,813	1,058	1,408
Benefit payments	(9,672)	(6,970)	(3,247)	(3,472)
Per statement of financial position	3,654	8,891	366	2,124
Present value of unfunded obligation	3,654	8,891	366	2,124

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	
	2022	**2021**	**2022**	**2021**
Discount rate	27%	27%	27%	27%
Salary growth rate	20%	20%	20%	20%

Notes to annual financial statements (continued)

For the year ended 30 September 2022

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 expectancy in years for a pensioner retiring at age 55:

	Probability of reaching retirement age in service			
	Group		Company	
	2022	2021	2022	2021
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 2022

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	
	2022	2021	2022	2021
Change in assumption	K'000	K'000	K'000	K'000
Discount rate (-1%)	215	203	108	106
Salary growth rate (+1%)	234	233	117	112
life expectancy (-1 year)	867	871	469	462

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 12.1 years (2021: 12.1 years).

v) Maturity analysis

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

	Group		Company	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Within 1 year	-	-	-	-
Between 1 - 2 years	-	-	-	-
Between 2 - 5 years	203	177	21	18
Over 5 years	3,451	8,714	345	2,106
	3,654	8,891	366	2,124

27 Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Trade payables	344,186	265,270	166,173	180,999
Amounts due to related parties (Note 31)	-	-	-	77,273
Gratuity and leave pay provisions	126,962	105,755	82,565	64,076
Legal and other related claims	107,901	63,552	107,901	55,573
Statutory liabilities	26,566	17,846	6,041	7,218
Other payables	43,958	61,782	5,134	10,352
	649,573	514,205	367,814	395,491

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 2022

28 Contract liabilities

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

	Group		Company	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
At start of year	119,206	97,672	94,485	92,276
Revenue recognised from opening liability	(119,206)	(97,672)	(94,485)	(92,276)
Receipts from customer at period end	97,400	119,206	97,400	94,485
At end of year	97,400	119,206	97,400	94,485

During the year, there was no revenue recognised from performance obligations satisfied in previous periods (2021: 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	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Profit before income tax from:				
Continuing operations	55,164	172,022	(75,831)	115,195
Discontinued operations (Note (20(i)	44,108	31,949	44,108	31,949
	99,272	203,971	(31,723)	147,144
Adjustments for:				
Changes in employee benefits (Note 26(i))	1,287	1,661	431	832
Interest expense on leases (Note 8)	1,813	3,268	784	1,634
Exchange gains on leases (Note 8)	(353)	(6,037)	(346)	(16,932)
Interest expense on borrowings (Note 8)	53,473	38,988	53,473	35,380
Exchange gains on borrowings (Note 8)	(3,188)	(39,860)	(3,188)	(39,860)
Loss on disposal of assets (Note 6)	29,386	2,260	21,772	553
Depreciation on fixed assets (Note 11)	111,092	143,165	47,197	83,971
Depreciation on right of use assets (Note 12(a))	10,991	17,306	9,368	3,495
Depreciation on assets held for sale (Note 20 (ii))	459	5,104	459	5,104
Share of loss of associate (Note 15(ii))	3,503	3,358	3,503	3,358
Impairment of goodwill	141,786	-	-	-
Impairment of investment in subsidiaries (Note 14)	-	-	141,786	-
Change in fair value of biological assets (Note 16)	(349,462)	(828,361)	(338,052)	(545,343)
Foreign exchange differences	2,027	8,775	14,949	30,087
Changes in working capital:				
Biological assets*	387,763	645,669	376,347	379,895
Inventories	(244,066)	(94,206)	(204,695)	41,109
Trade and other receivables	(51,022)	(96,273)	85,739	498,416
Trade and other payables	135,370	176,439	(27,678)	(511,388)
Contract liabilities	(21,806)	21,534	2,915	2,209
Cash generated from operations	308,323	206,761	153,025	119,664

*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 2022

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	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Cash and cash equivalents (Note 19)	223,973	201,539	136,149	113,193
Bank loans (Note 24)	(599,866)	(406,264)	(599,866)	(406,264)
Bank overdrafts (Note 24)	(351,681)	(490,204)	(164,025)	(306,417)
Lease liabilities (Note 12(b))	(17,643)	(19,671)	(10,232)	(8,470)
Net debt	(745,217)	(714,600)	(637,974)	(607,958)

Group	Liabilities from financing activities		Net Cash/ (Bank-overdrafts)	Total
	Bank loans	Leases		
2021	**K'000**	**K'000**	**K'000**	**K'000**
At start of year	(517,116)	(43,009)	(236,909)	(797,034)
Additions	(669,619)	(13,578)	(51,756)	(734,953)
Interest charged	(38,998)	(3,268)	(74,650)	(116,916)
Principal repayments	740,611	30,879	-	771,490
Interest paid	38,998	3,268	74,650	116,916
Foreign exchange gains	39,860	6,037	-	45,897
At end of year	**(406,264)**	**(19,671)**	**(288,665)**	**(714,600)**
2022				
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)**
Company				
2021				
At start of year	(517,116)	(35,946)	(158,177)	(711,239)
Additions	(669,619)	(3,619)	(35,047)	(708,285)
Interest charged	(35,380)	(1,634)	(47,966)	(84,980)
Principal repayments	740,611	14,163	-	754,774
Interest paid	35,380	1,634	47,966	84,980
Foreign exchange gains	39,860	16,932	-	56,792
At end of year	**(406,264)**	**(8,470)**	**(193,224)**	**(607,958)**
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)**

Notes to annual financial statements (continued)

For the year ended 30 September 2022

30 Earnings per share (EPS)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	Ngwee	**Ngwee**	**Ngwee**	**Ngwee**
Basic earnings per share				
Continuing operations	(3.51)	46.60	(34.46)	34.13
Discontinued operations	13.21	9.57	13.21	9.57
Total basic earnings per share	9.70	56.17	(21.25)	43.70
Diluted earnings per share				
Continuing operations	(2.63)	34.96	(25.85)	25.61
Discontinued operations	9.91	7.18	9.91	7.18
Total diluted earnings per share	7.28	42.14	(15.94)	32.79

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	
	2022	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Continuing operations	(8,119)	140,069	(103,629)	102,595
Discontinued operations	39,697	28,754	39,697	28,754
	31,578	168,823	(63,932)	131,349

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

	2022	2021
	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 2022

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, BII Plc which has 17.3% 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	Major shareholder	London	17.3%	17.3%

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	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Short-term employee benefits	141,028	141,669	106,453	108,889
Retirement benefit cost - NAPSA	796	1,453	584	1,074
	141,824	143,122	107,037	109,963

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

The following transactions occurred with related parties:

	Group		Company	
	2022	2021	2022	2021
	K'000	K'000	K'000	K'000
Sales of:				
Animal feed and bran	-	-	188	1,799
Beef products	-	-	1,276,861	996,507
Poultry products	-	-	214,169	315,958
Pork products	-	-	51,375	29,430
	-	-	1,542,593	1,343,694
Purchases of:				
Beef products	-	-	5,988	2,239
Poultry products	-	-	33,858	9,044
Pork products	-	-	2,894	19,956
Distribution services	-	-	-	3,810
	-	-	42,740	35,049

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 2022

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:	**2022**	**2021**	**2022**	**2021**
	K'000	**K'000**	**K'000**	**K'000**
Directors:				
Danny Museteka	-	93	-	93
Lillian Limbuka	-	683	-	-
Subsidiaries:			-	-
Zamleather Limited	-	-	73,506	50,284
Master Meat Nigeria Limited	-	-	64,168	67,113
Master Meat Ghana Limited	-	-	3,515	3,362
Zamhatch Limited	-	-	250,766	110,857
Masterpork Limited	-	-	102,727	56,331
Zambeef Retailing Limited	-	-	102,100	489,944
Zamchick Limted	-	-	80,352	-
Common directorship:			-	-
Tembilo Farms Limited	-	152	-	-
Associates:		-	-	-
Zampalm Limited	3,123	3,274	2,419	2,570
	3,123	4,202	679,533	780,554
Payables to:				
Subsidiary				
Zamchick Limited	-	-	-	77,273
Loans receivable				
At start of year	70,474	63,292	70,474	63,292
Loans advanced	667	13,057	667	13,057
Interest receivable	-	-	-	-
Loan repayments received	(3,458)	(5,875)	(3,458)	(5,875)
	67,683	70,474	67,683	70,474

The loans receivable relates to amounts advanced to foreign subsidiaries in Nigeria of K64 million (2021: K67 million) and Ghana of K3.5 million (2021: K3.4 million) for the purposes working capital requirements. The loans are insecure, payable on demand and interest free.

v) Directors' remuneration

	2022	2021
	K'000	**K'000**
Non-executive Director fees	3,267	3,438
Executive Director salaries and short-term emoluments	10,382	10,394
Retirement benefit costs – NAPSA contributions	29	28
	13,678	13,860

Notes to annual financial statements (continued)

For the year ended 30 September 2022

32 Correction of material error in calculating deferred income tax

During the year, the Group identified an omission of deferred income tax liability on revaluation surplus arising on revalued items of property, plant and equipment in accordance with IAS 12 Income taxes. The correction of the error resulted in an understatement of deferred income tax liability by K135 million for the Group on 1 October 2020 and an overstatement in revaluation reserves of K133 million and K1.7 million in retained earnings as at that date.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Year ended 30 September 2020	1-Oct-20 K'000	Increase/(decrease) K'000	Restated: 1-Oct-20 K'000
Group			
Statement of financial position			
Net deferred income tax liability	60,398	135,046	195,444
Statement of changes in equity			
Revaluation surplus	1,167,713	(133,325)	1,034,388
Retained earnings	470,174	(1,721)	468,453
Company			
Statement of financial position			
Net deferred income tax liability	41,153	83,037	124,190
Statement of changes in equity			
Revaluation surplus	828,538	(82,854)	745,684
Retained earnings	597,524	(184)	597,340
Year ended 30 September 2021	**1-Oct-21 K'000**	**Increase/(decrease) K'000**	**Restated: 1-Oct-21 K'000**
Group			
Statement of financial position			
Net deferred income tax liability	79,005	156,245	235,250
Statement of changes in equity			
Revaluation surplus	1,315,739	(155,086)	1,160,653
Retained earnings	679,718	(1,159)	678,559
Company			
Statement of financial position			
Net deferred income tax liability	55,905	82,212	138,117
Statement of changes in equity			
Revaluation surplus	821,691	(82,169)	739,522
Retained earnings	774,437	(43)	774,394

33 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 (2021: Nil).

34 Commitments

i) *Capital commitments*

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities was K44.6 million (2021: K3.1 million).

ii) *Operating commitments*

Contractual obligation for future purchase of raw materials not recognised as a liability was K11.896 million (2021: K13.847 million).

35 Events occurring after the reporting period

Beyond 2021, the existence of novel coronavirus (Covid-19) has continued to cause disruptions to businesses and economic activity.

To date, the Group has not seen, nor expects to see in the near future, a major impact on its operations by the pandemic, however, should the pandemic continue for an extended period of time, there's a possibility that the risks will materialize and hence have a significant impact on the Company's financial performance.

Notes to annual financial statements (continued)

For the year ended 30 September 2022

36 Comparatives

Comparative figures and disclosures have been adjusted to conform to changes in presentation in the current period for the following:

- Segment reporting
- Revenue
- Discontinued operations
- Defined benefit obligation
- Borrowings


boerewors
rooikranz
Strongly coriander, white pepper and mild clove.
traditional
beef
pork

Supplementary Information - presented in USD (unaudited)

Statement of profit or loss and other comprehensive income

	Group		Company	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Revenue from contracts with customers	314,014	235,528	195,659	136,367
Change in fair value of biological assets	18,567	39,222	17,903	25,821
Cost of sales of providing goods	(237,518)	(205,113)	(162,734)	(124,570)
Gross profit	**95,063**	**69,637**	**50,828**	**37,618**
Other income/(expenses)	145	(400)	(516)	(493)
Net impairment losses on financial assets	(1,040)	(556)	(458)	(56)
Impairment of goodwill	(8,253)	-	(8,253)	-
Distribution expenses	(3,818)	(3,165)	(3,907)	-
Administrative expenses	(71,989)	(54,248)	(38,337)	(30,121)
Operating profit	**10,108**	**11,667**	**881**	**6,948**
Share of loss from equity investment	(204)	(160)	(204)	(160)
Finance income	206	2,173	206	2,689
Finance costs	(6,900)	(5,536)	(5,297)	(4,024)
Profit before income tax	**3,210**	**8,145**	**(4,414)**	**5,453**
Income tax expense	(3,684)	(1,664)	(1,618)	(597)
(Loss)/profit from continuing operation	(474)	6,481	(6,032)	4,858
Profit from asset held for sale	2,311	1,513	2,311	1,360
Profit for the year	**1,837**	**7,994**	**(3,721)**	**6,218**
Profit attributable to:				
Owners of Zambeef Products PLC	1,696	7,954	(3,721)	6,218
Non-controlling interests	141	40	**-**	-
	1,837	7,994	(3,721)	6,218
Other comprehensive income:				
Items that maybe reclassified to profit or loss				
Translation losses on foreign operations	(946)	(696)	-	-
Translation losses on Mpongwe Farms	(631)	(12,876)	(631)	(12,876)
Items not reclassified to profit or loss				
Revaluation surplus	-	9,110	-	1,900
Actuarial remeasurement losses	(183)	(133)	(62)	(67)
Deferred income tax	368	(1,004)	176	39
Other comprehensive income for the year	(1,392)	(5,599)	(517)	(11,004)
Total comprehensive income for the year	**445**	**2,395**	**(4,238)**	**(4,784)**

Statement of profit or loss and other comprehensive income (continued)

	Group		Company	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Total comprehensive income for the period is attributable to:				
Owners of Zambeef Products Plc	289	2,494	(4,238)	(4,784)
Non-controlling interests	156	(99)	-	-
	445	2,395	(4,238)	(4,784)
Basic earnings per share				
Continued operations	(0.19)	2.14	(2.01)	1.57
Discontinued operations	0.77	0.50	0.77	0.50
Total basic earnings per share	0.58	2.64	(1.24)	2.07
Diluted earnings per share				
Continued operations	(0.15)	1.61	(1.50)	1.17
Discontinued operations	0.58	0.38	0.58	0.38
Total diluted earnings per share	0.43	1.99	(0.92)	1.55

Consolidated statement of financial position

	30-Sept-22	Restated:1-Oct-21	Restated:1-Oct-20
ASSETS	**US$'000**	**US$'000**	**US$'000**
Non-current assets			
Property, plant and equipment	198,393	183,497	159,549
Right of use assets	2,050	2,586	2,542
Goodwill	1,583	9,964	8,282
Investment in associate	2,340	2,417	2,176
Biological assets	5,480	4,263	3,097
	209,846	202,727	175,646
Current assets			
Biological assets	14,817	17,182	5,657
Inventories	91,260	71,556	54,798
Trade and other receivables	18,310	14,235	7,052
Cash and cash equivalents	14,175	12,039	5,518
Assets classified as held for sale	10,765	10,188	8,722
Current income tax asset	-	-	87
	149,327	125,200	81,834
Total assets	**359,173**	**327,927**	**257,480**
EQUITY			
Share capital	449	449	449
Share premium	185,095	185,095	185,095
Preference share capital	100	100	100
Foreign currency translation reserve	42,945	38,850	45,027
Revaluation reserve	65,256	69,334	51,360
Retained earnings	(60,091)	(77,664)	(106,325)
Attributable to owners of parent entity	233,754	216,164	175,706
Non-controlling interests	4	(156)	(26)
	233,758	216,008	175,680
LIBILITIES			
Non-current liabilities			
Borrowings	26,976	11,682	9,445
Lease liabilities	797	433	981
Deferred income tax	14,128	18,222	14,520
Defined benefit obligations	231	531	565
	42,132	30,868	25,511
Current liabilities			
Borrowings	33,248	41,871	33,513
Lease liabilities	319	742	1,155
Trade and other payables	41,113	30,716	16,771
Contract liabilities	6,165	7,121	4,850
Current income tax	2,438	601	-
	83,283	81,051	56,289
Total equity and liabilities	**359,173**	**327,927**	**257,480**

Company statement of financial position

	30-Sept-22	Restated:1-Oct-21	Restated:1-Oct-20
ASSETS	**US$'000**	**US$'000**	**US$'000**
Non-current assets			
Property, plant and equipment	136,584	128,057	121,843
Right of use assets	1,493	1,362	1,116
Investment in subsidiaries	6,584	14,684	12,205
Investment in associate	2,340	2,417	2,176
Biological assets	5,481	4,263	3,097
	152,482	150,783	140,437
Current assets			
Biological assets	11,586	14,133	3,829
Inventories	61,878	46,175	40,421
Trade and other receivables	49,780	52,107	68,057
Cash and cash equivalents	8,617	6,762	628
Assets classified as held for sale	10,765	10,188	8,722
Current income tax asset	-	151	28
	142,626	129,516	121,685
Total assets	**295,108**	**280,299**	**262,122**
EQUITY			
Share capital	449	449	449
Share premium	185,095	185,095	185,095
Preference share capital	100	100	100
Foreign currency translation reserve	39,096	37,521	43,339
Revaluation reserve	45,081	44,177	37,025
Retained earnings	(62,986)	(71,939)	(99,926)
	206,835	195,403	166,082
LIBILITIES			
Non-current liabilities			
Lease liabilities	339	112	406
Borrowings	26,976	11,682	9,445
Deferred income tax	8,879	12,420	10,982
Defined benefit obligations	23	126	166
	36,217	24,340	20,999
Current liabilities			
Lease liabilities	309	394	718
Borrowings	21,371	30,892	24,713
Trade and other payables	23,282	23,626	45,028
Contract liabilities	6,165	5,644	4,582
Current income tax	929	-	-
	52,056	60,556	75,041
Total equity and liabilities	**295,108**	**280,299**	**262,122**


VALLEY

28TH 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 28th Annual General Meeting of the members of the Company will be held virtually (https://eagm.creg.co.zw/EAGM/Login.aspx) on Tuesday, December 27 2022 at 10:00 hours; in respect of the year ended 30 September 2022.

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. Financial Statements

TTo receive adopt and approve the reports of the Directors, the Auditors, and the Financial Statements for the year ended September 30, 2022 ***(Ordinary resolution number 1)***

3. Ordinary Resolutions

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

3.1 Ordinary Resolutions to re-election of directors retiring by rotation

To re-elect each of Messer's:

3.1.1. Roman Frenkel (**Ordinary resolution number 2)**

3.1.2 Pearson Gowero (**Ordinary resolution number 3)** and

3.1.3. Ms Monica Musonda (**Ordinary resolution number 4)**

who retire by rotation in terms of the Companies Act, and who, being eligible, offer themselves for re-election.

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

3.2 Ordinary Resolution Number 5 – 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 K 503 250 to K 553 575 for a Board member;
- from K 520 000 to K572 000 for a Board member and Committee Chairperson
- from K 920 000 to K1 012 000 for the Board Chairman.

3.3 Ordinary Resolution Number 6– 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.

4. 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 2022.

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.

5. 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 channeled through the Transfer Secretaries, whose contact address is:

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

By Order of the Board

Mwansa M Mutimushi
COMPANY SECRETARY

NOTES

Key Sign Up instructions

a). Sign Up

- Use the following link to access the platform; ***https://eagm.creg.co.zw/EAGM/Login.aspx***
- First time users are required to sign-up by clicking the "Sign Up "option.
- If you registered previously, you do not need to sign up again. Kindly use the same logging credentials that you used before. If you have forgotten your details, use the "Forgot Password" function on the login window to retrieve your details.
- Attendees are to indicate the criteria of their attendance of the provided options i.e. Shareholder/Non-Shareholder/Proxy
- Attendees are required to provide the necessary information to complete the sign-up procedure.
- Once Sign-up has been completed, the admins will validate information provided before granting access to attendees. Once validated, login credentials will be delivered through email and SMS. The validation process may take a maximum period of 48hrs.

b). Sign in

- Use the following link to access the platform: https://eagm.creg.co.zw/EAGM/Login.aspx
- Enter username
- Enter Password
- Click Login
- Click "Register" on the blue button to confirm online attendance
- Click "Join" to begin following video and audio transmission of meeting proceedings.
- Click "Join with Computer Audio" to attend the live meeting

MINUTES OF THE 27TH ANNUAL GENERAL MEETING OF MEMBERS HELD ON 21ST DECEMBER, 2021 AT 10:00 HOURS AT THE RADISSON BLU HOTEL, LUSAKA AND FROM VARIOUS LOCATIONS VIRTUALLY

1 PRESENT

DIRECTORATE:

Michael Mundashi (Chairman), Walter Roodt (Chief Executive Officer), Frank Braeken, Roman Frenkel, Pearson Gowero, Yollard Kachinda, Jonathan Kirby, Monica Musonda and Faith Mukutu (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

No apologies for absence were recorded.

AGENDA

The notice and agenda were adopted as presented.

4 MINUTES OF THE PREVIOUS MEETING

The minutes of the Annual General Meeting of 24 December, 2020 were noted.

5 MATTERS ARISING

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

6 THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

The directors' report, the auditor's report and annual financial statements for the year ended 30 September 2021 were presented.

It was resolved that the directors' report and financial statements for the year ended 30 September 2021 be approved and adopted and that all matters undertaken and discharged by the directors on behalf of the company be confirmed.

7 APPOINTMENT OF DIRECTORS

It was resolved that the appointment of Messer's Roman Frenkel, Pearson Gowero and Ms. Katebe Monica Musonda be confirmed.

8 RE- ELECTION OF DIRECTORS

It was resolved that to re-elect as directors Messer's Frank Braeken, Yollard Kachinda and Michael Mundashi who retired by rotation and offered themselves for re-election.

9 APPOINTMENT OF INDEPENDENT AUDITORS AND DETERMINATION OF THEIR REMUNERATION

It was resolved that Messer's PricewaterhouseCoopers (Zambia) be appointed as auditors of the company until the conclusion of the next Annual General Meeting and that the Board of Directors be authorised to agree their fees.

10 ANY OTHER BUSINESS

There being no further business to transact, the meeting closed at 11:30 hours.

CHAIRMAN	**SECRETARY**

Dated this 16 day of February 2022

DECEMBER 2021 AGM ATTENDANCE REGISTER

1) Proxies

Name	Proxy	Shares Held	%
STANDARD CHARTERED ZAMBIA SECURITIES SERVICES NOMINEES LTD	MICHAEL MUNDASHI	52,601,435	17.50
NATIONAL PENSION SCHEME AUTHORITY	MAINZA MULEYA CHISHA	24,797,819	8.25
SATURNIA REGNA PENSION TRUST FUND	MUMBA MUSUNGA	14,285,259	4.75
SHAKA HOLDINGS INC	JOHNN RABB BERNARD	7,868,813	2.62
PUBLIC SERVICE PENSIONS FUND BOARD	MUMBA MUSUNGA	6,803,840	2.26
EARL FIDUCIARY AG ITO SPRAYVIEW TRUST EARL FIDUCIARY AG ITO SPRAYVIEW TRUST	JOHNN RABB BERNARD	6,131,187	2.04
ZAMBIA SUGAR PENSION TRUST -SCHEME	MUMBA MUSUNGA	3,968,349	1.32
STANBIC BANK PENSION TRUST FUND	MUMBA MUSUNGA	3,702,160	1.23
KCM PENSION TRUST SCHEME	MUMBA MUSUNGA	2,763,163	0.92
ZANACO PLC DC PENSION SCHEME	MUMBA MUSUNGA	2,237,931	0.74
STANBIC NOMINEES-MPILE LOCAL EQUITY FUND	MINTU CHITEBE	1,766,085	0.59
BARCLAYS BANK STAFF PENSION TRUST FUND	MUMBA MUSUNGA	1,238,829	0.41
BARCLAYS BANK ZAMBIA STAFF PENSION FUND-PPMZ	KELVIN SHIYUNGA	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
INDENI PENSION TRUST SCHEME	MUMBA MUSUNGA	990,224	0.33
LUBAMBE COPPER MINES PENSION TRUST SCHEME	MUMBA MUSUNGA	909,222	0.30
BUYANTANSHI PENSION TRUST FUND	MUMBA MUSUNGA	866,334	0.29
WORKERS" COMPENSATION FUND CONTROL BOAD	MOSES SIMBEYE	740,000	0.25
PICZ PENSION TRUST-MONEY PURCHASE	KELVIN SHIYUNGA	616,160	0.20
ZAMBIAN BREWERIES PLC PENSION TRUST SCHEME	MUMBA MUSUNGA	589,544	0.20
CEC PENSION TRUST SCHEME	MUMBA MUSUNGA	563,950	0.19
SANDVIC MINNING PENSION SCHEME	MUMBA MUSUNGA	493,562	0.16
GOLDEN SUNSET PENSION FUND	MUMBA MUSUNGA	421,544	0.14
ZRA PENSION TRUST SCHEME	MUMBA MUSUNGA	361,931	0.12
GAME STORES PENSION TRUST SCHEME	MUMBA MUSUNGA	317,432	0.11
HEALTH SECTOR GRANT AIDED INSTITUTIONS PENSION SCHEME	MUMBA MUSUNGA	257,330	0.09
NATIONAL BREWERIES PENSION TRUST SCHEME	MUMBA MUSUNGA	202,112	0.07
WORKCOM PENSION TRUST SCHEME	MUMBA MUSUNGA	196,429	0.07
SUN INTERNATIONAL PENSION TRUST SCHEME	MUMBA MUSUNGA	194,913	0.06
STANBIC BANK ZAMBIA NOMINEES	MINTU CHITEBE	178,571	0.06
RAIL SYSTEMS OF ZAMBIA	KELVIN SHIYUNGA	175,160	0.06
EXAMINATIONS COUNCIL OF ZAMBIA	KELVIN SHIYUNGA	171,877	0.06
DELOITTE AND TOUCH PENSION TRUST SCHEMD	MUMBA MUSUNGA	165,807	0.06
PRUDENTIAL LIFE ASSURANCE ZAMBIA LIMITED	KELVIN SHIYUNGA	154,460	0.05

1) Proxies (continued)

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	KELVIN SHIYUNGA	137,931	0.05
ZAMBIA NATIONAL BUILDING SOCIETY	KELVIN SHIYUNGA	110,266	0.04
NATIONAL INSTITUTE FOR SCIENTIFIC AND INDUSTRIAL RESARCH	MUMBA MUSUNGA	100,179	0.03
GOLDEN SUNSET VIA AFLIFE	MUMBA MUSUNGA	99,531	0.03
AFRICA 53	KELVIN SHIYUNGA	91,127	0.03
UTI ZAMBIA LIMITED STAFF PENSION TRUST SCHEME	MUMBA MUSUNGA	81,709	0.03
TOYOTA ZAMBIA	KELVIN SHIYUNGA	65,808	0.02
WORKCOM TRUST PENSION SCHEME PPMZ	KELVIN SHIYUNGA	59,198	0.02
ACCESS BANK ZAMBIA LIMITED PENSION SCHEME	MUMBA MUSUNGA	51,809	0.02
MULTICHOICE PENSION SCHEME	KELVIN SHIYUNGA	50,334	0.02
BUYANTANSHI PENSION TRUST FUND	KELVIN SHIYUNGA	47,393	0.02
ZAMBEZI RIVER AUTHORITY	KELVIN SHIYUNGA	40,600	0.01
STANBIC NOMINEES ZAMBIA LIMITED	MINTU CHITEBE	14,844	0.00
LUSAKA TRUST PENSION SCHEME	KELVIN SHIYUNGA	14,558	0.00
FINAL SALARY	KELVIN SHIYUNGA	13,790	0.00
HILDA"S HENS FAMILY TRUST	MR CHARLES MATE	10,817	0.00
CEC PESION TRUST SCHEME	KELVIN SHIYUNGA	8,542	0.00
ZRL PENSION TRUST SCHEME	KELVIN SHIYUNGA	5,704	0.00
SANLAM LIFE INSURANCE (Z) LTD	MUMBA MUSUNGA	4,550	0.00
STANBIC BANK ZAMBIA NOMINEES	MINTU CHITEBE	900	0.00
STANBIC NOMINEES LTD	MINTU CHITEBE	395	0.00
STANBIC NOMINEES ZAMBIA LIMITED	MINTU CHITEBE	3	0.00
Total		142,399,337	47.37

2) Attendees - Shareholders

Name	Proxy	Shares Held	%
SEKELI MABOSHE		33,276	0.01
MBAWEMI LUNGU		481	0.00
KAMPAMBA BETSON		447	0.00
SCHOLASTICAH MOYO		327	0.00
GABRIEL CHIKUSELA		200	0.00
TOTAL		**34,731**	**0.01**

3) Attendees - Non Shareholders

Name	Representing	Count
MR MATAKA NKHOMA	AUTUS SECURITIES LTD	1
PRISCA CHIZI	CORPSERVE ZAMBIA	2
JAMES NDHLOVU	CORPSERVE ZAMBIA	3
JOSEPH PHIRI	CORPSERVE ZAMBIA	4
TIM HARPER	FINNCAP GROUP	5
WESLEY BEENE	GRANT THORNTON	6
BWALYA SELAH	GRANT THORNTON	7
BUPE K MOONO	LANGMEAD & BAKER LTD	8
NDULWA MUPELA	LANGMEAD & BAKER LTD	9
MANGA MUNSANGO	LANGMEAD & BAKER LTD	10
NAMUNYIKA JERE	LUSAKA SECURITIES EXCHANGE	11
NENANI SICHONE	PANGAEA SECURITIES	12
ANDREW CHIBUYE	PRICEWATERHOUSECOOPERS (PWC)	13
LEAH SIMASIKU	SECURITIES AND EXCHANGE COMMISSION	14
JACK KANYANGA	STOCKBROKERS ZAMBIA LIMITED	15
BONIFACE MWAMBA	STOCKBROKERS ZAMBIA LIMITED	16
CHISHALA MALEKANO	ZAMBEEF PRODUCTS PLC	17
ANTHONY SENO	ZAMBEEF PRODUCTS PLC	18
FAITH MUKUTU	ZAMBEEF PRODUCTS PLC	19
MBOO MUMBA	ZAMBEEF PRODUCTS PLC	20
PEARSON GOWERO	ZAMBEEF PRODUCTS PLC	21
WALTER ROODT	ZAMBEEF PRODUCTS PLC	22
ROMAN FRENKEL	ZAMBEEF PRODUCTS PLC	23
MS MONICA MUSONDA	ZAMBEEF PRODUCTS PLC	24
HASTINGS MTINE	ZAMBEEF PRODUCTS PLC	25
IVOR CHILUFYA	ZAMBEEF PRODUCTS PLC	26
JONATHAN KIRBY	ZAMBEEF PRODUCTS PLC	27
YOLLARD KACHINDA	ZAMBEEF PRODUCTS PLC	28
MWANSA MUTIMUSHI	ZAMBEEF PRODUCTS PLC	28

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FORM OF PROXY

For the 28th 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 meeting of the company to be held virtually on Tuesday 27 December 2022 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, 2022			
	Re-election of Directors			
.2	i. Roman Frenkel			
3	ii. Pearson Gowero			
4	iii. Katebe Monica Musonda			
5.	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%			
5.	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 _______________ 2022

Signature ____

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

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

NOTES TO THE FORM OF PROXY

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

Notes

Notes


YO
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Please call 0977 999 034 or email: shoesales


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Zammilk
Double Cream
LEMON MERINGUE YOGHURT
Zammilk
Double Cream
BLACK CHERRY YOGHURT
Zammilk
Double Cream
PLAIN YOGHURT
NO SUGAR ADDED