Feeding the Nation

ZAMBEEF

Products PLC

30 Years of Growth, A Future Beyond Limits

ANNUAL REPORT 2024

CONTENTS

WHAT WE DO

Overview

Zambeef Products Plc stands as Zambia's largest integrated cold chain food products and agribusiness company and one of the most prominent in Southern Africa. We are at the forefront of food production, processing, distribution, and retailing, ensuring a seamless "farm-to-table" experience. By managing every stage of the value chain, we maintain a consistent and reliable supply of high-quality products. In the cold chain food industry, where maintaining optimal temperatures is critical, we uphold the highest standards to preserve quality and safety. Our operations are underpinned by a steadfast commitment to sustainability, driving our efforts across all business segments.

Production

As one of Zambia's leading commercial growers, we cultivate essential crops such as wheat, maize, and soya beans on our farms - critical for both food security and our value chain. These crops form the foundation of our farm-to-family journey, providing a consistent supply of grains that power our operations and support the nation's food supply.

Processing

Our comprehensive processing capabilities cover a broad spectrum of activities, including:

- Animal feed production.
- Poultry rearing for both day-old chicks and broilers,
- Meat processing through our beef, chicken, and pork abattoirs.
- Dairy production, from milk to processed dairy products.
- Flour milling and bread production.
- Leather processing, crafting finished leather, footwear, and industrial shoes.
- All our processing plants adhere to ISO 22000 standards for food safety management systems, ensuring the highest levels of safety and quality. This certification enables us to manage and mitigate food safety risks, safeguarding the well-being of our consumers.

WHAT WE DO (continued)

Distribution

With a fleet of approximately 280 trucks, Zambeef operates one of Zambia's largest logistics networks, giving us unparalleled control over the distribution of our products. Our advanced logistics operations ensure timely, in-full deliveries while maintaining the integrity of our cold chain products. A dedicated control room monitors all vehicles in real time, guaranteeing food safety and quality from origin to destination.

Retail

Our extensive retail network spans all 10 provinces of Zambia, serving both urban and rural communities. Our outlets offer a diverse range of high-quality products, including beef, pork, poultry, dairy, flour, and bread. Each retail location is equipped with chilled and frozen storage, and chilled display counters to preserve product freshness and quality.

We complement our portfolio of products with trusted goods from third-party suppliers to provide customers with a comprehensive food basket. Through our collaboration with Shoprite in Zambia, we manage their in-store butcheries and supply our grocery products to their supermarkets. We also operate Shoprite Butcheries in Nigeria and Ghana.

Our Focus

Our mission is to be the most sustainable, socially responsible, and financially viable business in our industry. We emphasize quality control, product differentiation, and affordability, ensuring our portfolio meets the needs of our customers while delivering value across the supply chain.

Zambeef is deeply committed to the well-being of the communities we serve. Our operations significantly contribute to food security, employment, and economic development in Zambia. Known for our reliability and consistency, we continue to forge strong relationships with stakeholders, solidifying our position as one of the country’s leading companies.

30 Years of Zambeef

A Legacy of Impact and Progress

For over three decades, Zambeef has been at the heart of Zambia's food production ecosystem, making a meaningful impact on the lives of every Zambian. Our journey has been shaped by the dedication of our people, the trust of our partners, and the loyalty of our customers. Together, we have built a legacy grounded in enhancing Zambia's food security and supporting the nation's growth.

As we celebrate this milestone, we reflect on our achievements with gratitude and pride, recommitting ourselves to innovation, sustainability, and the shared prosperity of the communities we serve. Zambeef's story is, above all, a testament to the power of collaboration and the vision to create a better future for all.

Key Milestones

2024 30 Years of Zambeef

2023 Started the restructuring of the Zambeef Group.

2022 USD$100 million major expansion plan announced.

2020 Disposal of Sinazongwe Farm for US$10million.

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

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

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.

2015 Placement of the first broiler parent stock at Zambeef's Zamhatch enterprise in Mpongwe in April. Built the Novatek Mpongwe mill.

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

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

2010 Commissioned the Lusaka stockfeed plant in March.

2009 Zampalm and Novatek Animal Feeds established.

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

2005 - 2007 Sinazongwe Abattoir built.

2004 Acquired Sinazongwe Farm, Shoprite expansion into Nigeria & Ghana.

2003 Listed on Lusaka Stock Exchange.

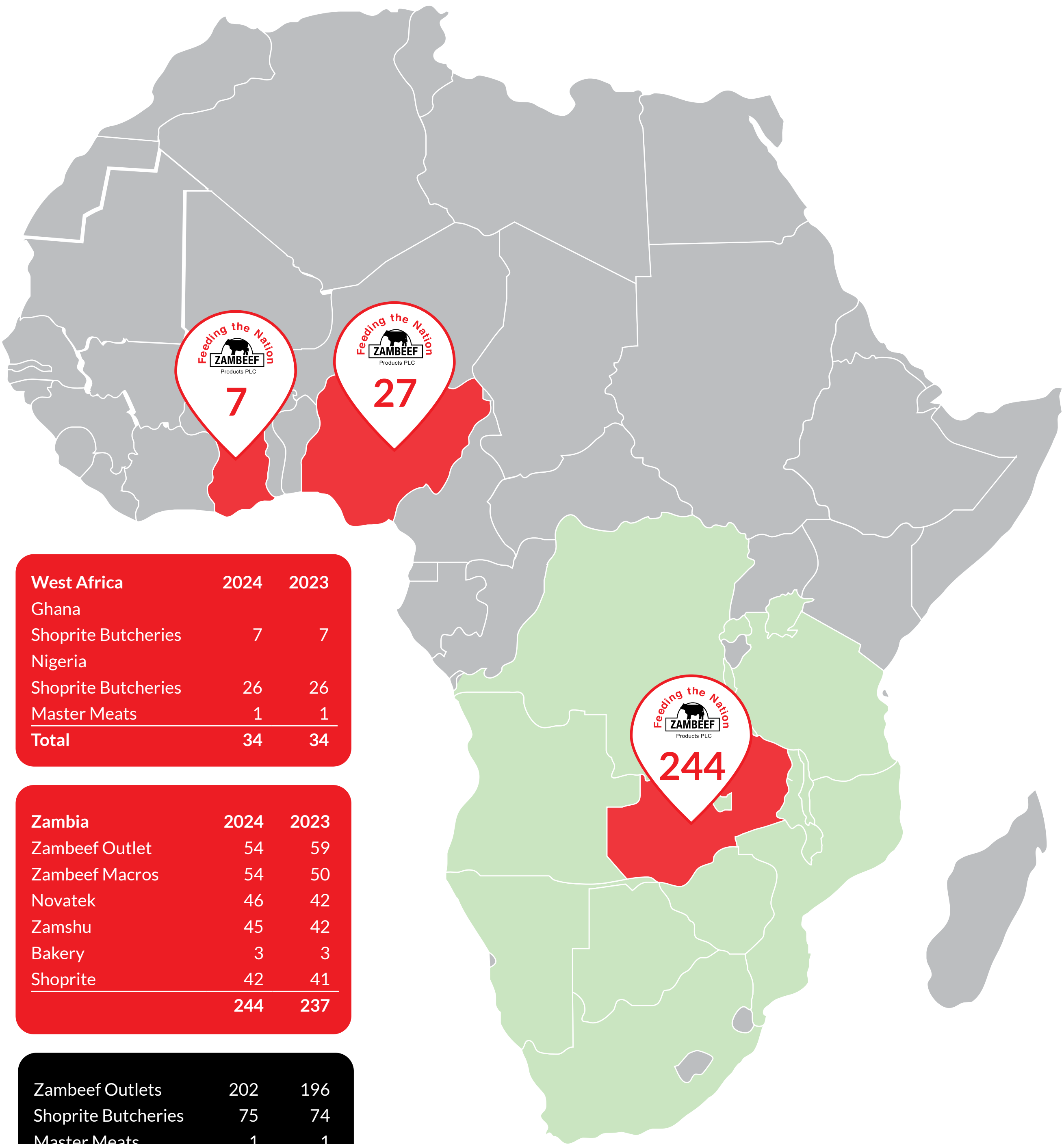
1998 Established Kalundu Dairy Farm for subsidiary Zammilk.

1996 Acquired Huntley Farm (abattoir and feedlot).

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

1994 Zambeef Products Ltd. incorporated.

Feeding a growing region
Our retail footprint



West Africa	2024	2023
Ghana		
Shoprite Butcheries	7	7
Nigeria		
Shoprite Butcheries	26	26
Master Meats	1	1
Total	**34**	**34**

Zambia	2024	2023
Zambeef Outlet	54	59
Zambeef Macros	54	50
Novatek	46	42
Zamshu	45	42
Bakery	3	3
Shoprite	42	41
	244	**237**

Zambeef Outlets	202	196
Shoprite Butcheries	75	74
Master Meats	1	1
	278	271

CHAIRMAN'S REPORT

Dear Shareholder,

As I present my inaugural report, I do so with a deep sense of responsibility and reflection, following the untimely passing of my predecessor, Mr. Michael Mundashi SC. His leadership, wisdom, and unwavering dedication to Zambeef Products Plc have left an enduring legacy that continues to inspire us all. Joining the Board and assuming the role of Chairman under such circumstances has been both a privilege and a profound reminder of the immense contributions he made to our organization.

While we mourn his loss, I am fully committed to honoring his vision and steering Zambeef forward with the same passion and purpose that defined his tenure. This report highlights our achievements, acknowledges the challenges we face, and reaffirms our dedication to securing a resilient and prosperous future for Zambeef.

The financial year posed significant challenges, including high inflation and volatile exchange rates that affected operations from early in the period. While the government's engagement with international bondholders has advanced the debt restructuring process, underlying economic pressures continue to have an adverse effect on the business environment. Reduced copper mining activity and adverse climate conditions continuing to impact crop yields and energy generation, further stress the macroeconomic landscape.

The several challenges experienced during the year such as the energy deficits led to rising costs of critical inputs like electricity, grain, and imported materials. The local currency depreciation and El Niño weather effects applied a lot of pressure on our margins during the financial year. The Central Bank's tightened monetary policy, aimed at curbing inflation, has further affected consumer spending as the cost of living continues to rise in the country.

Despite the several challenges experienced, management continued to focus on its strategy of revenue maximization, volume growth, and cost optimisation. Through these concerted efforts, the Group achieved revenue growth over the prior year (in Zambian Kwacha and a decline in USD), underscoring the resilience of our vertically integrated business model in delivering long-term value to our shareholders.

Strategy

Despite the economic challenges, the Board remains steadfast in achieving Zambeef's strategic objectives. Our five-year roadmap is guided by four key pillars:

- Strengthening our core business: We remain dedicated to strengthening our core business through targeted investments aimed at expanding our market share and consolidating our position in key sectors.
- Human Capital Development: Our tailored human capital strategy ensures that our workforce is well-equipped to support the Group's success, with a focus on skills development aligned with our strategic goals.
- Enhancing Strategic Partnerships: Strategic partnerships play a vital role in enhancing our competitive edge and market position. We are committed to strengthening these partnerships to capitalize on synergies and opportunities for growth. Our commitment to our customers, suppliers, lenders and other partners remains resolute.
- Divestiture of Non-Core Assets: To optimize resource allocation, we are actively pursuing divestiture of non-core assets, allowing greater focus on our primary business areas.

We continue to make progress on our five-year, $100 million expansion plan announced in 2022. The Mpongwe Farm expansion has advanced substantially, with the first phase contributing significantly to production efficiency across the food value chain. The successful harvest of 9,460 metric tonnes of wheat in 2023 marked a key

Chairman's Report (continued)

milestone in our operational capabilities.

During the year, we had the honour of hosting the Republican President, Mr. Hakainde Hichilema, who inaugurated the wheat flour milling plant, launched our first-ever winter maize harvest in Mpongwe, and joined us in celebrating Zambeef's 30th anniversary. Other notable project completions include the new hatchery and cheese plant, further diversifying our product offerings.

The Economic Environment

The financial period saw considerable fluctuations in the Kwacha, with a depreciation of 26% against the USD. This volatility was driven by high USD demand, reduced mining activity, and sustained global interest rate hikes, impacting foreign investment in local bond auctions. Inflation closed the period at 15.6%, up from 12% the previous year, driven by currency depreciation and rising food and energy prices.

Noteworthy was the resurgence in copper prices, which have seen an upward trend during the first half opening at USD 8,200/MT and closing at USD 10,129/MT, fuelled by the green energy transition. However, subdued production levels continued to impede the realization of full value, consequently impacting the economy's foreign exchange earnings potential. These dynamics underscore the delicate balance between global market forces and domestic production capacities.

Outlook

Looking ahead, we expect copper prices to continue their upward trend, bolstering foreign exchange earnings. However, the tight monetary policy and constrained government spending on food aid, following a poor crop season, could further strain consumer spending.

Zambeef's vertically integrated model and trusted brands position us well to seize emerging opportunities. We remain committed to navigating these complex conditions and reaffirm our commitment to long-term growth and sustainability.

British International Investment (BII) Partnership

16 September 2024 marked the eighth anniversary of British International Investment plc's (BII) investment in the Company. BII is the Company's largest ordinary shareholder with 52.6 million ordinary shares and 100,057,658 convertible redeemable preference shares ("Preference Shares") in Zambeef Products plc. The Company has the right to redeem all or part of the Preference Shares at the redemption price, which would give BII a 12% compounded annual return on their investment, subject to a minimum of USD 0.77 per share (less dividends received). However, the likelihood of such a repayment by the Company in this new financial year, or in the medium term, is currently considered by the Board to be uncertain. The eighth anniversary materially increased BII's conversion rights on their Preference Shares from one-for-one new ordinary share, to one for 3.0833 (recurring) new ordinary shares.

Acknowledgement

During the year, we announced the resignation of Mr. Roman Frenkel, Non-Executive Director, effective 5 April, 2024. Mr. Frenkel has been an integral part of our Board for the past three years, bringing insight and expertise that have enriched our deliberations and decisions.

We extend our heartfelt gratitude to Mr. Frenkel for his significant contributions to Zambeef Products Plc during his tenure. His dedication and strategic guidance have been invaluable, and we wish him continued success in all his future endeavours.

I am pleased to advise that on 1 August 2024, Mr Patrick Kalifungwa was appointed as the Chief Financial Officer and Executive Director of Zambeef Products Plc. He took over from Mr M'boo Mumba who resigned on 17th July 2024. I wish Mr Kalifungwa every success in his new role.

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

As we navigate the complexities of the current environment, we remain steadfast in our commitment to driving sustainable growth and delivering on our promises to our shareholders. Together, we will honour Mr. Mundashi's legacy by upholding the principles of excellence and integrity that he exemplified.

Patrick Wanjelani
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Overview

The year ended 30 September 2024 saw the Group achieve revenue growth (in Zambian Kwacha and a decline in USD) with volume growth in key categories compared to the prior year, highlighting our agility and adaptability in an ever-evolving market and economic landscape. Our management team's relentless focus on optimizing top-line growth through effective revenue management, alongside rigorous cost control measures, has played a vital role in driving our success.

Our relative successes in a difficult operating and economic environment serve as a testament to the exceptional talent within our organization and the enduring partnerships we have cultivated with our customers, suppliers, and local communities. As we reflect on the past period, it is clear that our unwavering dedication to commercial objectives, coupled with our commitment to operational excellence and cost optimisation, has not only pushed us forward but also fortified our position in several sectors in which we operate.

Financial Performance

Despite operating within a challenging trading environment characterized by a countrywide energy crisis, subdued crop yields, constrained consumer spending and a tight monetary policy, the Group delivered robust results for the year ended 30 September 2024. Escalating costs of vital inputs and commodities, such as fuel, imported electricity, imported farming inputs and grain resulted in increased costs for our production divisions. However, the Group demonstrated volume growth across key categories, leveraging the momentum from the 2023 financial year. This was achieved through a meticulous approach to revenue management and effective sales and operational execution.

The Group achieved a revenue of ZMW 7.3 billion (USD 295.1 million), accompanied by a gross profit of ZMW 2.5 billion (USD 99.8 million). This represents a year-on-year increase of 21% and 34% in kwacha terms, respectively, and a year-on-year decrease of 11% and 1% in US dollar terms respectively.

Furthermore, the Group delivered an operating profit of ZMW 487.2 million (USD 19.7 million), marking an increase of 35% in kwacha terms and a decrease of 1% in US dollar terms compared to the prior year's ZMW 361.4 million (USD 19.8 million). This underscores the effectiveness of our commercial strategy and the successful execution of strategic expansion projects.

The Group remains steadfast in its commitment to fortifying its brand equity and providing customers with high-quality products. With our diversified and vertically integrated business model, robust brands, and effective management, we are well-positioned to capitalize on future opportunities and navigate potential threats with resilience and agility.

Strategic focus

Our strategic focus remains to optimise our existing asset utilisation, maximise return and drive profitability. We remain committed to our strategy of focusing on our core businesses, in which we strive to be the best in class. The continued investment in key strategic assets and divestiture of non-core assets will enable us to increase cash generation and profitability and therefore continue to deliver shareholder value. I am pleased to report that our $100 million medium-term expansion plans are proceeding as scheduled. We have maintained our dedication to enhancing capacity and efficiency in Cropping, Milling, Stockfeed, Dairy, and Poultry.

Our strategic focus in optimising costs and rationalising the Group's operations continued throughout the period.

Outlook

Looking ahead, our strong brand presence will continue to serve as a cornerstone in maintaining customer loyalty. Additionally, our vertically integrated business model positions us favourably, ensuring a dependable supply chain and market for our products. We anticipate a

Chief Executive Officer’s Review (continued)

stabilization in the economic environment following the recent understanding reached by the government with international bondholders regarding debt restructuring, coupled with the expected upswing in copper production and prices over the medium to long term. With these factors in mind, the Group is well-positioned to capitalize on the opportunities arising from a positive economic outlook, strategically investing for the future in anticipation of an upturn in consumer spending.

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

Divisional Performance

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

Retailing & Cold Chain Food Products

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

The outbreak of the anthrax virus in the first half resulted in animal movement restrictions and diminished consumer confidence in Beef, leading to slowed volume growth. However, volumes surged in the second half, driven by a lower relative price of Beef following availability of standard beef category as farmers looked to offload cattle following the drought season owing to limited pasture. The accelerated volume turnaround in the Beef Division in the second half was helped by other protein sources which struggled with the impact of relatively higher feed costs. Beef consistently maintained a volume-based strategy, prioritizing market share recovery and competitive positioning over margin maximisation.

The first half of the year saw sluggish demand for chicken with gradual improvements in the second half due to variability in consumer spend. Demand for day-old chicks remained strong fuelled by small scale demand, and therefore contributed positively to the Poultry division's significant growth in profitability.

The Dairy segment profitability was negatively impacted by a significant increase in feeding costs, imported electricity costs and operational challenges in our Dairy farm.

Despite the challenges noted above, the division’s gross profit grew by 20.9% in kwacha terms, with a decline of 11.1% in USD terms compared to the prior year.

Cropping and Milling

The Cropping segment performed well in spite of the drought related decline in yields when compared to prior

Table 1: Divisional financial summary in ZMW’000

	Revenue		Gross Profit		Overheads		Operating Profit	
	2024	2023	2024	2023	2024	2023		2023
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s		ZMW'000s
Retailing and Cold Chain Food Products	5,349,141	3,579,502	1,172,392	969,955	(1,085,277)	(744,469)	87,115	225,486
Cropping and Milling	4,875,996	3,799,233	1,302,726	873,307	(589,914)	(412,240)	712,812	461,067
Total	**10,225,137**	**7,378,735**	**2,475,118**	**1,843,262**	**(1,675,191)**	**(1,156,709)**	**799,927**	**686,553**
Less: Intra/Inter Group Sales	(2,909,292)	(1,332,578)	-	-		-		-
Central Overhead	-	-	-	-	(158,548)	(241,056)	(158,548)	(241,056)
Foreign exchange losses	-	-	-	-	(119,816)	(84,140)	(119,816)	(84,140)
Impairment of goodwill	-	-	-	-	(34,370)	-	(34,370)	-
Group Total	**7,315,845**	**6,046,157**	**2,475,118**	**1,843,262**	**(1,987,925)**	**(1,481,905)**	**487,193**	**361,357**

Chief Executive Officer's Review (continued)

Table 2: Divisional financial summary in USD'000

	Revenue		Gross Profit		Overheads		Operating Profit	
	2024	2023	2024	2023	2024	2023	2024	2023
	USD'000s	USD'000s		USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Retailing and Cold Chain Food Products	215,778	196,245	47,293	53,177	(43,779)	(40,815)	3,514	12,362
Cropping and Milling	196,692	208,291	52,550	47,879	(23,796)	(22,601)	28,754	25,278
Total	**412,470**	**404,536**	**99,843**	**101,056**	**(67,575)**	**(63,416)**	**32,268**	**37,640**
Less: Intra/Inter Group Sales	(117,357)	(73,058)		-	-	-	-	-
Central Overhead	-	-		-	(6,396)	(13,216)	(6,396)	(13,216)
Foreign exchange losses	-	-		-	(4,833)	(4,613)	(4,833)	(4,613)
Impairment of goodwill	-	-		-	(1,386)		(1,386)	0
	295,113	**331,478**	**99,843**	**101,056**	**(80,190)**	**(81,245)**	**19,653**	**19,811**

year. Despite the drought, high grain prices particularly for the Summer Crop helped enhance this position. The Cropping segment delivered a commendable operating profit performance compared to the previous year. In addition to the higher grain prices, efficiencies in input application helped negate the impact of lower yields. The business was able to mitigate the impact of load shedding on the irrigated winter crop through the contraction of imported power via a Power Supply Agreement with the Zambia Electricity Supply Corporation.

The stockfeed segment also experienced slightly higher volume growth than prior year supported by the newly installed pelleting capacity in Mpongwe despite a period of high pricing necessitated by the rising cost of inputs. The impact of pricing of Stockfeed did adversely affect the upstream value chain products.

The Flour segment experienced double-digit growth in volumes, attributed to the implementation of effective sales strategies and innovation which saw good demand for flour.

Acknowledgements

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

Faith Mukutu
Chief Executive Officer

SUSTAINABILITY REPORT

SUSTAINABILITY REPORT

1. INTRODUCTION

Zambeef Products PLC ("Zambeef") is committed to building a sustainable future for the benefit of all. We recognise that achieving a long-term sustainable business depends on well-structured environmental, social, economic and governance practices.

In this report, we outline the plans and strategies undertaken by the company to strengthen the Environmental, Social and Governance (ESG) environment.

At Zambeef, sustainability is integral to everything we do. We place focus on all key stages of the value chain; from input to processing, distribution and finally retail stage.

In doing this, we prioritised compliance with the relevant local and global sustainability best practices. We continued to uphold the principles set out in the United Nations Sustainable Development Goals (UN SDGs) and the International Finance Corporation's (IFC) environmental and social sustainability framework.

Furthermore, the Zambia Institute of Chartered Accountants (ZICA), in November 2023, issued Circular Number 4/2023 in which ZICA pronounced the adoption of the two sustainability standards IFRS SI and IFRS S2 and the Integrated Reporting Framework. All publicly accountable entities (PAEs) such as Zambeef were required to adopt and apply the two sustainability standards for the annual reporting periods beginning on or after 1 January 2025 and with the actual reporting to commence for the reporting periods starting on 1 January 2026.

Following this development, Zambeef trained some senior managers, in Finance and Sustainability Departments, in implementing the sustainability standards. An external consultancy firm was appointed to, independently, review the process. The business is on track to issue the detailed sustainability report, based on IFRS S1 and IFRS S2, before the deadline.

This report has followed the broader, core content, reporting guidelines of Governance, Strategy, Risk Management, Metrics and Targets. These are outlined below:

2. GOVERNANCE

The Company's Board of Directors (The Board) play a crucial role in ensuring that the business strategy is anchored on sustainable business practices. The Board provides oversight, on the Environmental, Social and Governance practices through the Environmental and Social sub-committee of the Board.

Through this Committee the Board provides strategic advice and guidance regarding systemic and strategic environmental and social issues. The Committee ensures that the Company has in place adequate and robust systems for monitoring the environmental, health & safety, social management and performance, in accordance with applicable legislation and Good International Industry Practice (GIIP).

The Board Committee also monitors the adequacy of the resources allocated to the implementation of the Environmental and Social Action Plan (ESAPs).

The Company maintains a Sustainability department which is headed by an Executive with reporting line to the Chief Executive Officer. Through the Sustainability department, management tracks the effectiveness of the ESG interventions and reports all significant, ESG matters to the Environmental and Social risk Committee. This committee in turn, provides feedback to the Board of Directors on a quarterly basis.

3. STRATEGY

The emerging climate change risks have given rise to the need to plan for the long-term and reduce the impact on the operations. The business has implemented a five-year sustainability strategy which is reviewed annually and follows the International Financial Corporation (IFC) Sustainability framework.

The sustainability strategy is covered under eight (8) strategic goals and these are listed below:

Goal 1: Full local statutory compliance. Pursue Good International Industry Practice (GIIP).

Goal 2: Assess and manage Environmental and Social Risks and Impacts.

Goal 3: Provide suitable working conditions for workers.

Goal 4: Efficient use of resources and prevent pollution.

Goal 5: Promote community health, safety, and security

Goal 6: Conduct land acquisition and involuntary resettlement in a proper manner.

Goal 7: Conserve biodiversity and sustainably manage living natural resources

Goal 8: Protect cultural heritage for current and future generations

Goal 2: Assess and manage Environmental and Social risks and impact: provides the overarching risk assessment approach on how the business manages the Environmental, Social and Governance (ESG) emerging issues. This important goal is guided by the following objectives:

i. Identify and evaluate environmental and social risks and impacts at the time of change to operations occasioned by the introduction of new processes /

SUSTAINABILITY REPORT (continued)

technologies or acquisitions.

ii. Adopt a mitigation hierarchy to anticipate and avoid or where avoidance is not possible, minimise and where residual impacts remain, compensate/offset for risks and impacts to workers, affected communities and the environment.

iii. Effectively use management systems to promote improved environmental and social performance.

iv. Ensure that grievances from affected communities and external communications from other stakeholders are responded to and managed appropriately.

v. Promote and provide means for adequate engagement with communities neighbouring company operations on issues that could potentially affect them and ensure that relevant environmental and social information is disclosed and disseminated.

Further, the company also has Environmental and Social Action Plans (ESAPs) which were agreed with the Development Finance Institution (DFI) partners to ensure continuous improvement and implementation of environmental and social interventions.

4. ENVIRONMENTAL PERFORMANCE

Our environmental and social policy demonstrates our commitment to promoting sustainable practices that benefit everyone. We prioritised creating a safe and healthy workplace, protecting the environment, and supporting the communities where we operate.

The business consistently assesses its environmental footprint. Zambeef is compliant with all statutory requirements in the jurisdictions where it has operations. Furthermore, through its commitment to working towards international good practice, we have implemented a process of continuous improvement in environmental and social management.

We continued to work closely with the Zambia Environmental Management Agency (ZEMA) and whereby we submitted four Environmental Project Briefs (EPB). After a thorough review the projects were approved for implementation.

5. SOCIAL – ECONOMIC PERFORMANCE

We prioritized creating a safe and healthy workplace for our employees and contractors alike, protecting the environment and being a responsible corporate citizen in the communities where we have a presence. This commitment is enshrined in the Environmental, Social and Health, Safety & Welfare policies.

Our social impact footprint covers feeding programme, support towards education, community health, sanitation, environmental conservation, entrepreneurship and promotion of culture and heritage.

Feeding program: The company extends support to the vulnerable (in schools, hospices / hospitals, orphanages, care homes) through donation of foodstuffs mainly protein. Delivery of food products is made periodically and in agreement with the beneficiaries. There are currently 15 institutions hosting vulnerable and viable people that the company supports through the food supply programme. The programme supports over 5,000 individuals with a spend of just under US $2 million in the last eight (8) years.

Educational and community healthcare institutions: The company continues to invest in education and healthcare for its employees, their families and communities in which we operate. At Mpongwe farms, the company manages a basic high school with over 500 learners and seventeen (17) teachers. Further, at Mpongwe farms the company has clinics which are open to employees and the community.

The company, also supports communities, government schools and healthcare institutions located in the communities that surround our operations such as in Chisamba and Mpongwe Districts.

As part of sustainable community projects, the Chibombo boarding school was supported, in the last quarter of the financial year, with five hundred (500) Day-old Chicks (DOC) for subsequent rearing and sale. During the period, our Poultry veterinary team provided technical support to the boarding school. The project managed to register 93% success rate with sales made to The World Vision (41%), school canteen (41%) and teachers (18%). Following this empowerment program the school was ready to commence procurement on commercial terms in the next financial year.

Support to Cultural heritage: The business promotes cultural heritage through support to more than ten annual traditional ceremonies hosted in areas where we operate. The business also supports various sports activities among its employees and neighbouring communities.

SUSTAINABILITY REPORT (continued)

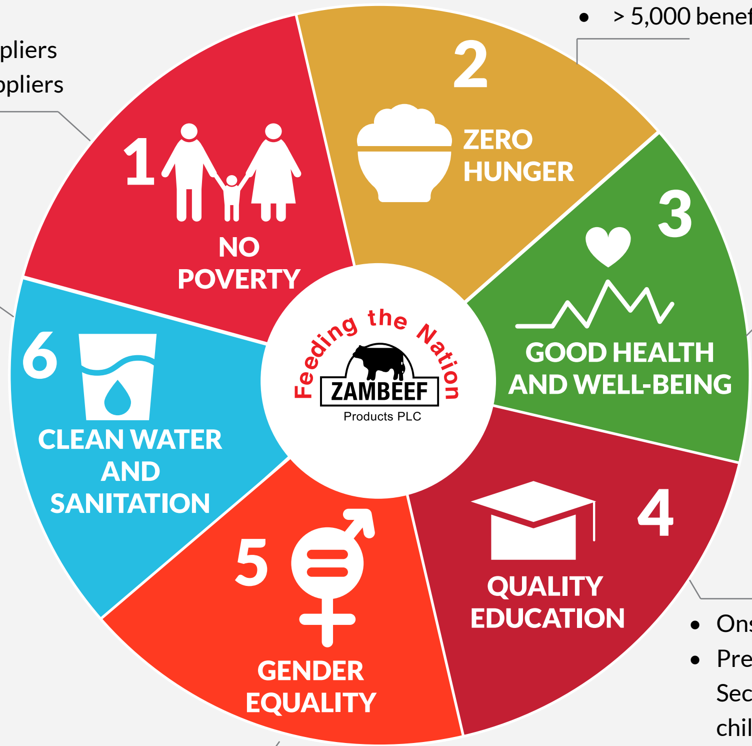
Sustainable Development Goals – SDGs - alignment

The company remained committed to implementing the sustainable development goals. We outline the interventions attained in the year under review.

- Feeding Programme < US $2 million since 2017
- > 5,000 beneficiaries

- >100,000 SME suppliers
- Livestock, grain suppliers

- Onsite clinics at Mpongwe and Huntley farms.
- MoU signed with EMC - End Malaria Council



- Adequate and equitable water, sanitation and hygiene facilities at all sites
- Safe and clean drinking water supplied to employees, their families living in company accommodation

- Onsite education facilities
- Pre-school, Primary and Secondary education to children of employees and community in Mpongwe
- Supports Government and community schools in Chisamba, Chongwe and Chiawa

- Equal employer
- Almost 40% female representation in customer-facing business functions

Economic contribution

The company has in place a sustainable sourcing policy. The in-country sourcing of major raw materials has a significant economic impact on the communities in the supply chain as well as the national economy, further contributing to meeting the UN SDGs.

Zambeef is a significant contributor to the country's socio-economic activities, contributing to about 1% of national Gross Domestic Product (GDP).

Employment

Zambeef continues to be one of the largest employers in the country, with over 7,000 employees. Just under 40% of employees in the customer-facing functions are female. Over 98% of employees are Zambian.

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 (asbestos, chemicals) were offered to employees. The Group's continued investment in human resources has resulted in many senior positions being held by Zambians. The Group's cropping division provides significant employment to rural communities, where poverty levels are higher than in urban areas. Most of the company's raw material suppliers are local and provide employment to communities in rural areas.

Taxes

The Group is a significant contributor to government revenues and was awarded, by the Zambia Revenue Authority – ZRA, as the best Tax payer in 2024 in the agriculture sector under the large enterprise category.

SUSTAINABILITY REPORT (continued)

Sustainable Development Goals – SDGs - alignment:

The Company continued to align its social investments in order to meet the United Nations Sustainable Development Goals – UN SDGs.

- Clear policies that forbid forced labour, child labour and practice of modern slavery
- Protection of Worker rights and promotion of safe and secure working environments for all worker categories

- Construction of Environmentally Controlled Houses (ECH) in Poultry, new cow barns at Kalundu Dairy and almost completed installation of state-of-the-art US $12 million Mpongwe wheat flour mill

Partnerships for sustainable development remain fundamental to the growth of the business

- Continued identification of potential areas of inequality
- Developed policies to reduce inequalities
- Priority areas, among others, included matters pertaining to remuneration of employees

The Group maintains a zero-tolerance to bribery, corruption and fraud

- 100% Processing Plants – ISO certified
- Chemicals and Solid waste managed throughout their life cycle in an environmentally and socially acceptable manner.

- The company actively promotes reuse, recovery and recycling at all operations.
- Production of compost manure at Chisamba and Mpongwe farms was enhanced

6. STAKEHOLDER ENGAGEMENT

We recognise the importance of effective stakeholder engagement in achieving our business objectives and contributing to the well-being of the communities in which we operate. Our stakeholder management approach involves building relationships with stakeholders based on trust, transparency, and open communication. This helps to establish credibility, reinforces a positive reputation and protects our license to trade.

Our stakeholder engagement strategy and implementation plan are designed to promote transparency, accountability, and collaboration with our stakeholders. We believe that effective stakeholder engagement is critical to achieving our business objectives and contributing to the well-being of the communities we serve.

Stakeholder engagement strategy

Our stakeholder engagement strategy encompasses objectives, stakeholder identification, implementation plan and allocation of resources. A stakeholder engagement implementation plan guides on the frequency of engagement which are undertaken monthly, quarterly or on annual basis, depending on the nature of the engagement.

Stakeholder objectives

Our stakeholder engagement objectives include building trust and credibility, proactively influencing policy, timely provision of objective and transparent information on business activities and performance, soliciting feedback and input from stakeholders to inform our business decisions and to collaborate with key stakeholders.

SUSTAINABILITY REPORT (continued)

Stakeholder identification and mapping

We have identified our key stakeholders as customers, consumers, employees, suppliers of livestock, grain and services, Government agencies, Investors, Trade and Sector associations and communities in which we operate. The stakeholders are selected on the basis of the impact and influence on our business operations.

Stakeholder engagement strategy - communication: includes regular communication through various channels, social media, email, and face-to-face meetings, stakeholder surveys and feedback mechanisms to gather input and concerns, collaboration with stakeholders on specific projects and initiatives, transparency and disclosure of business information through annual reports and other publications.

7. RISK MANAGEMENT AND OPPORTUNITY

Sustainability risk and opportunities emerge from the environment in which Zambeef operates. The entity's operations are impacted by the vast range of factors which include financial and economic outlook of the trading environment, climate change, floods, drought, water security, higher than normal temperatures and livestock disease.

In order to identify existing and emerging ESG risks there is a risk assessment which is carried out monthly. This allows for the entity to monitor and mitigate the impact on its operations and also the effect of its operations on each of the ESG pillars.

This process is headed by the Group Manager - Internal Controls and Compliance and ensures ongoing review and management of risk.

On a quarterly basis, the Chairperson of the Audit and Risk Committee of the Board of Directors is notified of the Risk Management environment and provides guidance. The committee chairperson, thereafter, provides the Board of Directors with a report on those specific matters requiring Board attention.

8. METRICS AND TARGETS - ESG

In this section, we provide disclosures on Climate related interventions.

Greenhouse Gas emissions – GHG

Significant reduction in Greenhouse Gas emissions (Scope 1. Direct emissions) of more than 30% from 2021 to 2024. This was due to interventions implemented to reduce the GHG emissions. The investment in Environmentally Controlled Houses – ECHs in Poultry has contributed in achieving lower emissions. On the other hand, the increase in direct emissions, between 2023 and 2024, was mainly as a result of more beef cattle being processed through the feedlot at Huntley Farm and increased throughput at Masterpork.

GHG table ('000) – Direct emissions

category	2021	2022	2023	2024
Scope 1	572 tCO2e	438 tCO2e	354 tCO2e	383 tCO2e

The largest sources of GHG emissions arose from our beef related activities. In order to further reduce our carbon footprint, manure management was identified as one of the areas for continuous improvement.

We are exploring a number of climate change interventions meant to reduce the Greenhouse Gas emissions. Depending on the results of the feasibility study, the selected initiative will result in significant reduction in our direct emissions.

Electricity Consumption table

Electricity Consumption table

Category	2021	2022	2023	2024
Electricity Consumption (GWh)	72.94	92.60	81.59	86.41

Significant reduction in electricity consumption between 2022 and 2024 was due to load management and increased energy mix diversification.

Coal Usage: We are delighted to report that the business stopped using charcoal in Poultry division. This decision helped to promote ,both, the conservation of trees and reduction of GHG emissions. A total of 5,070 tons of coal was used, mainly for steam generation in processing plants and temperature control in environmentally controlled poultry houses at Zamchick and Zamhatch.

Water Consumption: During the year the business invested in ,additional, water monitoring tools. The total volume of water used for irrigation in the financial year was 86,238,750 m^3 on 13,267 hectares of land to cultivate soya beans, maize, maize silage, and wheat in the summer and winter cropping seasons.

Occupational Health and Safety (OHS): We were saddened, as a business, to record a fatality involving a security manager at our Chiawa Farm. He was attacked by unknown people whilst conducting night patrol. With the help of the community and the Zambia Police, the perpetrators were apprehended. We continued to engage all key stakeholders to improve security at the farms.

The Lost Time Injury Frequency Rate (LTIFR) reduced from 3.04 in 2023 to 2.07 cases in 2024 and against a benchmark of 2.32 cases. This improvement came on the back of the board and management's focus in maintaining

SUSTAINABILITY REPORT (continued)

a safe working environment.

Food Safety: A total of 803 customer grievances were received in 2024 compared to 1,162 in 2023. 82% of the grievances were fully resolved at the close of the Financial Year compared to 66% of 2023. The company-maintained ISO 22000 – Food Safety Management System certifications across 7 manufacturing facilities. With the assistance from the IFC, the business is currently implementing Global Good Agriculture Practices (Global GAP) and Global Smart certification schemes at its primary production facilities (livestock farms and the two stockfeed plants, plus all farms involved in crop production). These schemes are intended to enhance food safety from farm production to our retail outlets.

Biosecurity and Animal Welfare: None of our livestock facilities recorded any disease of economic significance in the year under review. The implementation of the Global Smart scheme at our livestock sites resulted in significant improvement in the biosecurity and animal welfare performance at the facilities.

The Zamhatch Breeder Farm and Hatchery, and Kalundu Dairy Farm are earmarked for the Department of Veterinary Services (DVS) compartmentalization scheme in accordance with the World Organization of Animal Health (WOAH) principles.

With support from the IFC, the business implemented an Antimicrobial Stewardship (AMS) program, in order to fulfil the aspirations highlighted in our Antimicrobial use policy. Under this scheme, antimicrobials are not used for growth promotion.

Sustainable Development Goals – SDGs – alignment

- Developed, in-house, Greenhouse Gases (GHG) Assessment Tool
- Curried out a feasibility study to explore renewable energy supply
- Invested in Solar energy supply
- Applied technology in monitoring water consumption at the farms

- Prioritized protection, restoration and promotion of sustainable use of land
- Increased production of compost manure at Mpongwe and Chisamba farms
- With an Irish University, successfully piloted a heat recovery project at Chisamba Huntley farm in April 2024
- Promotion of double-cropping saw use of same land for more crop production


ZAMBEEF

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

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.

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.

FRAMEWORK

As a Company listed on exchanges in Lusaka and London, we are required to comply with LuSE and a UK specific corporate governance code. For the purposes of being quoted on AIM, and bearing in mind the size and scale of the operations of the Company, the Company has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code ("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

CORPORATE GOVERNANCE STATEMENT (continued)

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

THE BOARD OF DIRECTORS

The Company has a unitary board of directors, 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, four are Non-Executive Directors, and two are Executive Directors. 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's responsibilities are set out by a Board Charter, which requires that there is an appropriate balance of power and authority on the board. The Board Charter was reviewed during the year under review, the board satisfied its responsibilities in compliance therewith. The Board is responsible for the overall stewardship of the Company. The Board's role consists of two fundamental elements: decision-making and oversight. The decision-making function is exercised through the formulation, with management, of fundamental policies and strategic goals and the approval of certain significant actions. The oversight function concerns the review of management decisions, the adequacy of systems and controls and the implementation of policies. In performing its role, the Board makes major policy decisions, participates in strategic planning, delegates to management authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness.

Principles of good governance are embedded in the way the Board; its sub-committee and the executive committee 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;

CORPORATE GOVERNANCE STATEMENT (continued)

The Board Composition

Director	Title	Date of Appointment
Patrick Wanjelani	Chairman	19/06/2024
Faith Mukutu	Executive Director (CEO)	04/09/2019
Pearson Gowero	Independent Non-Executive Director	01/03/2021
Jonathan Kirby	Independent Non-Executive Director	03/08/2017
Patrick Kalifungwa	Executive Director (CFO)	01/08/2024
Monica K Musonda	Independent Non-Executive Director	01/03/2021
Muyangwa Muyangwa	Independent Non-Executive Director	21/04/2023
John Rich	Non-Executive Director	21/06/2023

As of the date of the report, the Board comprised of the Chairman, CEO, CFO and five Non-Executive Directors, four of whom 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 page 32 - 35 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 year under review, four meetings were held and attendance was as shown by the table below;

DIRECTORS' NAME	BOARD MEETING (23/11/23)	BOARD MEETING (21/02/2024)	BOARD MEETING (19/06/2024)	BOARD MEETING (25/09/2024)	TOTAL MEETINGS ATTENDED	TOTAL MEETINGS HELD
M Mundashi	✔	V	V	V	1	4
P Wanjelani	BA	BA	✔	✔	2	4
F Mukutu	✔	✔	✔	✔	4	4
R Frenkel	✔	✔	RS	RS	2	4
P Gowero	✔	✔	✔	✔	4	4
J Kirby	✔	✔	✔	✔	4	4
P Kalifungwa	BA	BA	✔	✔	2	4
M Mumba	✔	✔	✔	RS	3	4
M Musonda	✔	✔	✔	✔	4	4
M Muyangwa	✔	✔	X	X	2	4
J Rich	✔	✔	✔	✔	4	4

Key ✔ **Attended** **X** **Absent** **V** **Vacated** **BA** **Before Appointment** **RS** **Resigned**

CORPORATE GOVERNANCE STATEMENT (continued)

BOARD COMMITTEES

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

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

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

1. Audit and Risk Committee

The 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.

CORPORATE GOVERNANCE STATEMENT (continued)

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	20/11/2023	13/02/2024	11/06/2024	25/11/2024	Total Meetings Attended	Total Meeting Held
Jonathan Kirby	Chair: INED	✔	✔	✔	✔	4	4
Roman Frenkel	NED	✔	✔	RS	RS	2	4
Pearson Gowero	INED	✔	✔	✔	✔	4	4
Hastings Mtine	Committee Member	✔	✔	✔	A	3	4
John Rich	NED	BA	BA	✔	✔	2	4

Key ✔ **Attendance** **A** **Apology** **BA** **Before Appointment** **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 – Jonathan Kirby, Roman Frenkel,* Muyangwa Muyangwa and John Rich* Roman Frenkel resigned from the Board and the committee on 5th April 2024 and was replaced by John Rich as a British International Investment (Bii) representative in line with the Shareholder Agreement.

Responsibilities:

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

CORPORATE GOVERNANCE STATEMENT (continued)

Committee Meeting Attendance Schedule

NAME	CATEGORY OF DIRECTOR	21/11/2023	09/05/2024	11/06/24	Total Meetings Attended	Total Meeting Held
Monica Musonda	Chair: INED	✔	✔	✔	3	3
R Frenkel	NED	✔	RS	RS	1	3
Jonathan Kirby	INED	✔	✔	✔	3	3
Muyangwa Muyangwa	INED	✔	A	✔	2	3
Felicity Preacher***	Observer	✔	A	A	1	3

Key ✔ **Attendance** *A* **Absent** **BA** **Before Appointment** *** *Pursuant to the Shareholder Agreement with Bii*

3. Environmental and Social Committee

Chairperson - Pearson Gowero

Members – Roman Frenkel and Monica Musonda

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.

CORPORATE GOVERNANCE STATEMENT (continued)

Committee Meeting Attendance Schedule

NAME	CATEGORY DIRECTOR	21/11/2023	13/02/2024	11/06/2024	10/09/2024	Total Meetings Attended	Total Meeting Held
Pearson Gowero	**Chair: INED**	✔	✔	✔	✔	4	4
Roman Frenkel	**NED**	✔	✔	RS	RS	0	4
Monica Musonda	**INED**	✔	✔	✔	A	3	4
Muyangwa Muyangwa	**NED**	✔	✔	A	A	2	4
John Rich	**NED**	✔	✔	✔	✔	4	4

Key ✔ **Attendance** *A* **Absent** *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.

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.

CORPORATE GOVERNANCE STATEMENT (continued)

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

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

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

- its key small-scale suppliers across grains and livestock,
- its larger commercial raw material/input suppliers and livestock suppliers,
- its wide customer base across stockfeed, cold chain food products, and other products,
- its regulators such as Zambia Environmental Management Agency (ZEMA), Patents and Companies Registration Agency (PACRA), Water Resources Management Agency (WARMA), Lusaka 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

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

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

The Board requires competitive bidding for significant purchases and contracts, above determined thresholds, through a formal Board-approved Delegations of

CORPORATE GOVERNANCE STATEMENT (continued)

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 PricewaterHouseCooper (PwC).

The Company together with External Auditors ensures that quality and independent audits are undertaken through regular and systematic Audit Planning and also rotation of client staff engaged on the audits.

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

CORPORATE GOVERNANCE STATEMENT (continued)

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.

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

Patrick Wanjelani (age 58)
Chairman

Nationality: Zambian

Qualifications:
Master of Business Administration (MBA) from Oxford Brookes University, UK; Fellow Certified Chartered Accountant (FCCA) from Thames Valley University, UK; Diploma in Professional Accounting, UK; Diploma in Business Administration, UK; Leadership for the Cutting Edge, South Africa); Certificate in Corporate Governance and Ethics, South Africa.

Experience:
Mr. Wanjelani has extensive experience in banking and finance, accumulated over 30 years. His experience includes organizational change and transformation, financial planning, and corporate governance.

External appointments:
Currently serving as Director of Kenya Reinsurance Corporation Zambia Ltd, Center For Infectious Disease Research In Zambia (Cidrz), Kumil Energy Limited, Newgen Holdings Limited, Newgen Construction Limited, Bluelight Risk Services Limited, Kansanshi Copper Mine Plc.

Faith Mukutu (age 44)
Executive Director: Chief Executive Officer

Nationality: Zambian

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

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

External appointments:
Current directorships include: Good Nature Agro Limited, Greater Kafue Landscape Limited, Zayohub Zambia Ltd, Golden Camp Solutions, Seedco Zambia Limited, First National Bank Zambia Limited and CEC Renewables Limited.

Board of Directors (continued)

Katebe Monica Musonda (49)
Non-Executive Director

Nationality: Zambian

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

Experience:
Over 16 years PQE, Debt & Equity Capital Markets & Project Finance; 9 years in FMCG having founded Java Foods. Previously worked as General Counsel to the Dangote Group.

External Appointments:
Independent Non-Executive Chair Zambian Breweries Plc, Airtel Networks Plc. Non-Executive Director Mixta Nigeria, Dangote Cement Zambia Limited, Gralix Limited Kanona Power Company, Taifa Marimba; Founder & CEO Java Foods.

Jonathan Kirby (age 63)
Non-Executive Director

Nationality: South African

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

Experience:
Over 32 years of business management and Finance in London, Hong Kong, Singapore and South Africa. Previously Vice President (Finance) of AB Inbev Africa and CFO of SABMiller Africa.

External appointments:
Currently on the boards of Cavalier Group of Companies - South Africa, McWade Productions (Pty) Limited - RSA, Prime Financial Services (Pty) Limited - RSA, Greenway Farms (Pty) Limited RSA, Automated Outsourcing Solutions (Pty) Limited - RSA. Southridge Dune (Pty) Limited - RSA, African Dune (Pty) Limited -RSA, MIRO Forestry Products Limited and Timber Products Plc - UK.

Board of Directors (continued)

Pearson Gowero (age 66)

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

External appointments:

Has previously served as a Director on several boards and is currently a Director of SeedCo Zimbabwe Limited, SeedCo International Limited, NMB Bank Zimbabwe Limited.

Patrick Kalifungwa (age 44)

Executive Director: Chief Financial Officer

Nationality: Zambian

Qualifications:

Chartered Accountant, a Fellow of Association of Certified Chartered Accountants and Zambia Institute of Chartered Accountants, post graduate diploma in International Business.

Experience:

Over 20 years' experience in the financial services sector. He has served in various senior management roles and been responsible for overseeing the overall financial management and control processes of these organisations. He has been responsible for executing key financial actions across the board, including coordinating and management of quarterly profit forecasts, and advising on annual departmental budgets.

External appointments:

Current directorships include Liutebm University, Semane Engineering Zambia Limited (Mining & Engineering Solutions), Monter Capital Partnership Ltd, Kilimanjaro Country Lodge.

Board of Directors (continued)

Muyangwa Muyangwa (age 59)
Non-Executive Director

Nationality: Zambian

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

Experience:
Over 30 years of experience in the financial and fiscal sectors.
Previously served in various positions at the International Monetary Fund (IMF), including as a Senior Economist at the IMF – Headquarters, Washington DC, and as Technical Assistance Advisor and Revenue Administration Advisor in East Africa and West Africa, respectively. Before joining the IMF, he worked for Zambia Revenue Authority. where he held the roles of Commissioner Value Added Tax and Commissioner, Customs Services.

External appointments:
Currently the Director General of the National Pension Scheme Authority -Zambia, Non-Executive Director of ZCCM Investments Holdings Plc and M & N Capital Limited.

John Rich (age 72)
Non-Executive Director

Nationality: Australian

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

Experience:
Over 40 years of experience in Corporate Agribusiness, development banking, mergers and acquisitions.
He previously, served in various positions in the agricultural production and business management/banking space under many reputable and international organisations including the IFC, European Bank for Reconstruction and Development (EBRD) and Commonwealth Development Corporation (CDC – now BII) among others.

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

Directors Report

For the year ended 30 September 2024

The Directors submit their report together with the audited annual financial statements for the year ended 30 September 2024, 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. Additionally, the Group has large row cropping operations (principally maize, soya beans and wheat), with approximately 14,572 Hectares of row crops under irrigation and 7,947 Hectares of rain-fed/dry-land crops available for planting each year. The Group further has retailing operations in Nigeria and Ghana.

Significant events during the year

The Zambeef Group was restructured effective 1st October 2023 which is aimed at rationalising the Group's operations. The Group restructuring resulted in the amalgamation of Zambeef Retailing Limited, Masterpork Limited and the Zamhatch Feedmill into the parent company. The Company is expected to benefit from the restructuring as it will eliminate unnecessary complexities and duplications of its business processes across the six different entities, which ultimately have the same key decision-makers, processes, ownership and senior executive team.

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 (BII)	52,601,435	17.5%
African Life	40,070,567	13.3%
First Equity	24,987,323	8.5%
National Pension Scheme Authority (Zambia)	24,797,819	8.2%
Krohne Capital	18,979,405	6.3%
SBM Securities	15,925,191	5.3%
Sussex Trust	14,000,000	4.7%
Eastspring Investment	11,995,062	4.0%
Rhodora	8,639,374	2.9%
Red Fort partnership	8,175,000	2.7%

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

Results and dividend

The Group profit for the year of K180.1 million (2023: K120.2 million) has been added to retained earnings. The Directors have not declared a dividend nor have any dividends been paid during the year. (2023: Nil)

Directors Report (continued)

For the year ended 30 September 2024

Directors and remuneration

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

Name	Position	
Patrick Wanjelani	Chairman	Appointed 19th June 2024
Faith Mukutu	Executive Director	
M'boo Mumba	Executive Director	Resigned 17th July 2024
Patrick Kalifungwa	Executive Director	Appointed 1st August 2024
Jonathan Kirby	Non-Executive Director	
Katebe Monica Musonda	Non-Executive Director	
Pearson Gowero	Non-Executive Director	
Roman Frenkel	Non-Executive Director	Resigned 5th April 2024
Muyangwa Muyangwa	Non-Executive Director	
John Clifford Rich	Non-Executive Director	
Michael Mundashi SC	Past Chairman	Deceased 26th March 2024

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:

	2024- shares		2023- shares	
Name of Director	Direct	Indirect	Direct	Indirect
Katebe Monica Musonda	-	555	-	555
	-	555	-	555

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

Average number of employees and remuneration

The total remuneration of employees during the year amounted to 818.9 million (2023: K718.2 million) and the average number of employees were as follows:

Month	Average Number
October	8,346
November	8,178
December	8,095
January	8,374
February	8,576
March	8,582

Month	Average Number
April	8,826
May	8,175
June	8,319
July	8,431
August	8,116
September	7,954

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

Directors report (continued)

For the year ended 30 September 2024

Gifts and donations

During the year, the Group made donations of K2.2 million (2023: K3.6 million) to charitable organisations and events.

Research and development

The Group did not incur any costs on research and development during the year (2023: Nil).

Exports

During the year, the Group exported K105 million worth of goods from Zambia (2023: K75.8 million).

Property, plant and equipment

During the year, the Group purchased property, plant and equipment amounting to K815.3 million (2023: K817.3 million). In the opinion of the Directors, the carrying value of property, plant and equipment is not more than their recoverable value.

Group Auditor and remuneration

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

The Auditor remuneration for the audit related to the financial year ended 30 September 2024 was K5.1 million (2023: K4.1 million).

Signed on behalf of the Board of Directors,

Patrick Wanjelani
Chairman

Faith Mukutu
Director

Date: 9 December 2024

Statement of Director's Responsibilities

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 IFRS Accounting Standards 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 46 to 119 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 Accounting Standards 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

Patrick Wanjelani
Chairman

Faith Mukutu
Director

Date: 9 December 2024

Independent auditor's report

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 the Group and Company financial position of Zambeef Products PLC (the "Company") and its subsidiaries (together the "Group") as at 30 September 2024, and of their Group and Company financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards 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 46 to 119 and comprise:

- the Group and Company statement of financial position as at 30 September 2024;
- the Group and Company statement of profit or loss and other comprehensive income for the year then ended;
- the Group and Company statement of changes in equity for the year then ended;
- the Group and Company statement of cash flows for the year then ended; and
- the notes to the Group and Company annual financial statements, comprising material accounting policies and other explanatory information.

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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PwC Place, Stand No. 2374, Thabo Mbeki Road, P.O. Box 30942, Lusaka, Zambia
T: +260 (0) 211 334000, F: +260 (0) 211 256474, www.pwc.com/zm
A list of Partners is available from the address above

pwc

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 14 (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.

Independent auditor's report (continued)

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

Valuation of Biological assets

i) Livestock

In measuring the fair value of livestock, 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 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 17 (Biological assets).

</td><td>

In assessing the reasonableness of the assumptions applied by the Directors, we performed the following procedures:

- assessed the determined sample to ensure it was representative of the animal population by category and mix;
- observed the weighing of the animals based on the sample selected and re-calculated the average weight;
- obtained the market prices from suppliers as at year end used in the valuation process;
- assessed the reasonableness of anticipated yields per hectare against the subsequent yields based on the actual yields achieved
- we evaluated the sensitivity of the biological asset values to fluctuations in the key assumptions applied to ascertain the extent to which the key inputs would have on the balances as at year end;
- we tested the mathematical accuracy of the assessment performed and agreed information used to the general ledger.

</td></tr>
</table>

Other information

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

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

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.

pwc

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 Accounting Standards 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and Company annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.

pwc

Independent auditor's report (continued)

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, actions taken to eliminate threats or safeguards applied.

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.

The Companies Act, 2017 of Zambia

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 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 or Company Officer (a director, Group or Company secretary or executive officer of the group or company), the Group or 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 Securities Act, 2016 of Zambia

Part III, Rule 18 of the Securities (accounting and financial reporting requirements) Rules of the Securities Act, 2016 of Zambia, require that in carrying out our audit of Zambeef Products PLC we report on whether:

i) the Group and Company annual financial statements of the Group have been properly prepared in accordance with Securities and Exchange Commission rules;

ii) the Group has, throughout the financial year, kept proper accounting records in accordance with the requirements of Securities and Exchange Commission rules;

iii) the Group and Company statement of financial position and Group and Company statement of comprehensive income are in agreement with the Group's accounting records; and

iv) we have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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
Lusaka **9 December 2024**

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

Financial Statements
30 September 2024

Statement of Profit or Loss and other Comprehensive Income

	Notes	Group		Company	
Continuing operations		2024	2023	2024	2023
		K'000	**K'000**	**K'000**	**K'000**
Revenue from contracts with customers	6	7,315,845	6,046,157	6,939,511	3,384,408
Change in fair value of biological assets	17(i)	1,005,832	643,197	899,062	568,975
Cost of sales of goods	8	(5,846,559)	(4,846,092)	(5,826,756)	(3,046,883)
Gross profit		**2,475,118**	**1,843,262**	**2,011,817**	**906,500**
Other (expenses)/income	7	(61,132)	(46,419)	(74,116)	(18,064)
Net impairment losses on financial assets	4(b)	(1,264)	(2,713)	1,802	(1,768)
Impairment of investment in associate	16(ii)	(34,370)	-	(34,370)	-
Distribution expenses	8	(208,395)	(96,287)	(190,771)	(1,302)
Administrative expenses	8	(1,682,765)	(1,336,486)	(1,431,766)	(741,469)
Operating profit		**487,192**	**361,357**	**282,596**	**143,897**
Net Finance costs and income	9	(294,531)	(155,089)	(294,188)	(123,921)
Share of loss from equity investment	16(ii)	-	(2,595)	-	(2,595)
Profit/(loss) before income tax		**192,661**	**203,673**	**(11,592)**	**17,381**
Income tax expense – continuing operations	11	(12,565)	(72,851)	18,228	(15,704)
Profit from continuing operations		180,096	130,822	6,636	1,677
Loss from discontinued operations after tax	21(i)	-	(10,604)	-	(10,604)
Profit/(loss) from continued and discontinued operations		**180,096**	**120,218**	**6,636**	**(8,927)**
Profit/(loss) attributable to:					
Owners of Zambeef Products PLC		179,840	118,612	6,636	(8,927)
Non-controlling interests		256	1,606	-	-
		180,096	120,218	6,636	(8,927)
Other comprehensive income:					
Items that maybe reclassified to profit or loss					
Translation differences - foreign operations	23	(35,821)	(40,617)	-	-
Items not reclassified to profit or loss					
Revaluation surplus	24	5,734	1,003,412	-	977,426
Actuarial remeasurement losses	27(i)	(2,523)	(768)	(2,523)	(425)
Deferred income tax	26	133,328	(98,516)	128,455	(97,751)
Other comprehensive income for the year		100,718	863,511	125,932	879,250
Total comprehensive income for the year		**280,814**	**983,729**	**132,568**	**870,323**

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

	Notes	Group		Company	
		2024	2023	2024	2023
Total comprehensive income for the year is attributable to:					
Owners of Zambeef Products Plc		286,575	990,425	132,568	870,323
Non-controlling interests		(5,761)	(6,696)	-	-
		280,814	983,729	132,568	870,323
Basic earnings per share		Ngwee	Ngwee		
Continuing operations	31	59.83	42.99		
Discontinued operations	31	-	(3.53)		
Total basic earnings per share		59.83	39.46		
Diluted earnings per share					
Continuing operations	31	44.89	32.25		
Discontinued operations	31	-	(2.65)		
Total diluted earnings per share		44.89	29.60		

The notes on pages 53 to 119 form an integral part of these annual financial statements

Consolidated Statement of Financial Position

	Notes	30-Sept-24 K'000	30-Sept-23 K'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	5,577,265	4,818,533
Goodwill	14	25,015	25,015
Investment in associate	16 (ii)	-	34,370
Biological assets	17(i)	143,972	123,359
		5,746,252	5,001,277
Current assets			
Biological assets	17(i)	296,923	285,039
Inventories	18	2,088,778	1,656,487
Trade and other receivables	19	346,130	332,703
Cash and cash equivalents	20	334,415	271,222
Current assets excl assets classified as held for sale		3,066,246	2,545,451
Assets classified as held for sale	21(iii)	-	157,640
Total current assets		3,066,246	2,703,091
Total assets		**8,812,498**	**7,704,368**
EQUITY			
Share capital	22	3,006	3,006
Share premium	22	1,125,012	1,125,012
Preference share capital	22	1,000	1,000
Foreign currency translation reserve	23	633,440	660,390
Revaluation reserve	24	2,054,090	1,964,087
Retained earnings		1,156,637	930,261
Attributable to owners of parent entity		4,973,185	4,683,756
Non-controlling interests (NCI)		(15,245)	(6,630)
		4,957,940	4,677,126
LIABILITIES			
Non-current liabilities			
Lease liabilities	13(a)	13,350	15,622
Borrowings	25	856,362	687,679
Deferred income tax	26	154,586	302,017
Defined benefit obligations	27(i)	1,835	1,631
		1,026,133	1,006,949
Current liabilities			
Lease liabilities	13(a)	8,578	6,448
Borrowings	25	1,525,671	972,827
Trade and other payables	28	917,674	834,191
Contract liabilities	29	357,999	164,063
Current income tax	11(ii)	18,503	42,764
		2,828,425	2,020,293
Total equity and liabilities		**8,812,498**	**7,704,368**

The annual financial statements on pages 46 to 119 were approved for issue by the board of directors on 9 December 2024 and signed on its behalf by:

Patrick Wanjelani
Chairman

Faith Mukutu
Chief Executive Officer

The notes on pages 53 to 119 form an integral part of these annual financial statements.

Company Statement of Financial Position

		30-Sept-24	30-Sept-23
ASSETS	Notes	K'000	K'000
Non-current assets			
Property, plant and equipment	12	4,791,182	3,595,380
Goodwill	14	15,699	-
Investment in subsidiaries	15	77,388	104,020
Investment in associate	16(ii)	-	34,370
Biological assets	17(i)	143,972	123,359
		5,028,241	3,857,129
Current assets			
Biological assets	17(i)	218,808	232,396
Inventories	18	1,929,536	1,104,477
Trade and other receivables	19	472,287	1,277,442
Cash and cash equivalents	20	292,763	209,854
Current assets excl assets classified as held for sale		2,913,394	2,824,169
Assets classified as held for sale	21(iii)	-	**157,640**
Total current assets		2,913,394	2,981,809
Total assets		**7,941,635**	**6,838,938**
EQUITY			
Share capital	22	3,006	3,006
Share premium	22	1,125,012	1,125,012
Preference share capital	22	1,000	1,000
Foreign currency translation reserve	23	687,048	687,048
Revaluation reserve	24	1,847,683	1,561,799
Retained earnings		226,851	760,468
		3,890,600	4,138,333
LIABILITIES			
Non-current liabilities			
Lease liabilities	13(a)	13,350	7,403
Borrowings	25	856,362	687,679
Deferred income tax	26	108,264	220,829
Defined benefit obligations	27(i)	1,835	902
		979,811	916,813
Current liabilities			
Lease liabilities	13(a)	8,578	6,288
Borrowings	25	1,525,671	783,148
Trade and other payables	28	1,172,966	886,026
Contract liabilities	29	356,672	94,976
Current income tax	11 (ii)	7,337	13,354
		3,071,224	**1,783,792**
Total equity and liabilities		**7,941,635**	**6,838,938**

The annual financial statements on pages 46 to 119 were approved for issue by the board of directors on 9 December 2024 and signed on its behalf by:

Patrick Wanjelani
Chairman

Faith Mukutu
Chief Executive Officer

The notes on pages 53 to 119 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 2023	K'000	K'000	K'000	K'000	K'000	K'000	K'000	K'000	
At start of year	3,006	1,125,012	1,000	692,705	1,113,119	758,489	3,693,331	66	3,693,397
Profit for the year	-	-	-	-	-	118,612	118,612	1,606	120,218
Other comprehensive income:									
Revaluation surplus	-	-	-	-	1,003,412	-	1,003,412	-	1,003,412
Transfer of excess depreciation	-	-	-	-	(53,928)	53,928	-	-	-
Actuarial remeasurement losses	-	-	-	-	-	(768)	(768)	-	(768)
Deferred income tax (Note 26)	-	-	-	-	(98,516)	-	(98,516)	-	(98,516)
Translation differences (Note 23)	-	-	-	(32,315)	-	-	(32,315)	(8,302)	(40,617)
	-	-	-	(32,315)	850,968	53,160	871,813	(8,302)	863,511
Total comprehensive income for the year	-	-	-	(32,315)	850,968	171,772	990,425	(6,696)	983,729
At end of year	3,006	1,125,012	1,000	660,390	1,964,087	930,261	4,683,756	(6,630)	4,677,126
Year ended 30 September 2024									
At start of year	3,006	1,125,012	1,000	660,390	1,964,087	930,261	4,683,756	(6,630)	4,677,126
Profit for the year	-	-	-	-	-	179,840	179,840	256	180,096
Other comprehensive income:									
Revaluation surplus	-	-	-	-	5,734	-	5,734	-	5,734
Transfer of excess depreciation	-	-	-	-	(49,059)	49,059	-	-	-
Actuarial remeasurement losses	-	-	-	-	-	(2,523)	(2,523)	-	(2,523)
Deferred income tax (Note 26)	-	-	-	-	133,328	-	133,328	-	133,328
Translation differences (Note 23)	-	-	-	(26,950)	-	-	(26,950)	(8,871)	(35,821)
	-	-	-	(26,950)	90,003	46,536	109,589	(8,871)	100,718
Total comprehensive income for the year	-	-	-	(26,950)	90,003	226,376	289,429	(8,615)	280,814
At year end	3,006	1,125,012	1,000	633,440	2,054,090	1,156,637	4,973,185	(15,245)	4,957,940

The notes on pages 53 to 119 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
Year ended 30 September 2023	K'000	K'000	K'000	K'000	K'000	K'000	
At start of year	3,006	1,125,012	1,000	687,048	712,279	739,665	3,268,010
Loss for the year	-	-	-	-	-	(8,927)	(8,927)
Other comprehensive income:							
Revaluation reserve	-	-	-	-	977,426	-	977,426
Transfer of excess depreciation	-	-	-	-	(30,155)	30,155	-
Actuarial remeasurement losses	-	-	-	-	-	(425)	(425)
Deferred income tax (Note 26)	-	-	-	-	(97,751)	-	(97,751)
	-	-	-	-	849,520	29,730	879,250
Total comprehensive income for the year	-	-	-	-	849,520	20,803	870,323
At end of year	3,006	1,125,012	1,000	687,048	1,561,799	760,468	4,138,333
Year ended 30 September 2024							
At start of year	3,006	1,125,012	1,000	687,048	1,561,799	760,468	4,138,333
Reserves from business combination (Note 35)					197,599	(577,900)	(380,301)
Loss for the year	-	-	-	-	-	6,636	6,636
Other comprehensive income:							
Transfer of excess depreciation	-	-	-	-	(40,170)	40,170	-
Actuarial remeasurement losses	-	-	-	-	-	(2,523)	(2,523)
Deferred income tax (Note 26)	-	-	-	-	128,455	-	128,455
	-	-	-	-	88,285	37,647	125,932
Total comprehensive income for the year	-	-	-	-	88,285	44,283	132,568
At year end	3,006	1,125,012	1,000	687,048	1,847,683	226,851	3,890,600

The notes on pages 53 to 119 are an integral part of these annual financial statements.

Statement of cash flows

		Group		Company	
		2024	2023	2024	2023
	Notes	K'000	K'000	K'000	K'000
Cash generated from/(used in) operations	30(i)	556,222	404,081	246,182	28,330
Interest paid on borrowings	30(ii)	(211,132)	(44,646)	(211,132)	(44,646)
Interest paid on bank overdrafts	30(ii)	(118,669)	(87,323)	(118,669)	(57,471)
Interest paid on leases	30(ii)	(3,437)	(2,676)	(3,322)	(1,312)
Benefits paid	27(i)	(2,597)	(3,422)	(2,597)	(238)
Income tax paid	11(ii)	(49,036)	(88,323)	(28,209)	(34,233)
Net cash inflow/(outflow) from operating activities		171,351	177,691	(117,747)	(109,570)
Cash flows from investing activities					
Purchase of property, plant and equipment	12	(815,281)	(817,295)	(538,147)	(504,998)
Proceeds from disposal assets		9,309	4,025	8,760	6,165
Net cash outflow from investing activities		(805,972)	(813,270)	(529,387)	(498,833)
Cash flows from financing activities					
Proceeds from borrowings	30(ii)	1,369,057	916,396	1,369,057	916,396
Principal repayments of borrowings	30(ii)	(739,519)	(526,257)	(739,519)	(526,257)
Principal elements of lease payments	30(ii)	(7,441)	(7,319)	(7,441)	(6,016)
Net cash inflow from financing activities		622,097	382,820	622,097	384,123
Net decrease for the year		(12,524)	(252,759)	(25,037)	(224,280)
Movement in cash and cash equivalents					
At start of year		(380,467)	(127,708)	(252,156)	(27,876)
Net decrease		(12,524)	(252,759)	(25,037)	(224,280)
Effects of exchange differences		5,126	-	11,898	-
Balances from business combination	35	-	-	(164,222)	-
At year end	20	(387,865)	(380,467)	(429,517)	(252,156)

The notes on pages 53 to 119 are an integral part of these annual financial statements.

Notes to Annual Financial Statements
For the year ended 30 September 2024

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 14,530 Hectares of row crops under irrigation and 7,924 Hectares of rain-fed/dry-land crops available for planting each year. The Group also has operations in West Africa in Nigeria and Ghana.

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

2 Summary of material accounting policies

This note provides a list of the material 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 Accounting Standards

The annual financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards. The predecessor accounting method was applied to the acquisition of assets and liabilities of Zambeef Products PLC's subsidiaries as the transaction was under common control. The annual financial statements comply with IFRS Accounting Standards 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 2024 have been approved for issue by the Directors.

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

i) New and amended standards adopted by the Group

Number	Effective date	Executive summary
Amendments to IAS 12, 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.
Amendments to IAS 12, 'Income taxes' - International Tax Reform—Pillar Two Model Rules	The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. (Published May 2023)	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

The new accounting standards effective for reporting periods beginning on or after 1 January 2023 did not have any impact on the Company's accounting policies and did not require retrospective adjustments to the annual financial statements.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

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 2024 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.

Number	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of Financial Statements' - Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IFRS 16, 'Leases' - sale and leaseback	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

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

Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (Published May 2024)	These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

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

IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (Published April 2024)	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.
IFRS 19, 'Subsidiaries without Public Accountability'	Annual periods beginning on or after 1 January 2027 (Published May 2024)	The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.

a) Principles of consolidation and equity accounting

i) Subsidiaries

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

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

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

b) Principles of consolidation and equity accounting (continued)

ii) Associates

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

iii) Equity method

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

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

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

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

iv) Changes in ownership interests

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

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

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

c) Business combinations

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entityover the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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

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

The predecessor accounting method is applied to the acquisition where there is a common control transaction. Consequently, the Company takes over the carrying value of the assets and liabilities of the subsidiaries at nil consideration.

d) Impairment of non-financial assets

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

e) Segment reporting

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

f) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

iii) Group companies

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

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

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

g) Revenue recognition

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

Retailing and food production

The cold food chain products are mainly beef, chicken, pork, fish, milk and dairy products. These products are sold through the Group's retail network, most of which is through cash sales. The credit sales are only invoiced when the products are delivered to the customer or when the customer collects the products. Revenue is recognised at point in time when performance obligations are satisfied by delivering the products.

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

Financing components

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

h) Interest income

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

i) Property, plant and equipment

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

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

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

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

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

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

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

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

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

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

j) Leases

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

i) Right of use assets

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

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

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

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

Buildings	10 years	Lease term
Plant & machinery	10 years	Lease term
Motor vehicles	4 years	Lease term

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

ii) Lease liabilities

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

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

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

k) Goodwill

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

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

l) Biological assets

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

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

Feedlot Cattle and lactating dairy animals 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 are classified as current assets if they are to be sold within one year. Dairy animals are classified as non-current assets as their useful economic life is expected to be more than a 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 non- lactating dairy animals, 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 cycle and amortised on a straight-line method over the anticipated productive cycle, to its estimated net realizable value. All the expenses incurred in establishing and maintaining the assets are recognized in cost of sales. All costs incurred in acquiring biological assets until point of production are capitalised.

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

m) Inventories

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

n) Financial instruments

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

Classification and measurement

Financial assets

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

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

i) *Trade and receivables*

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

ii) Cash and cash equivalents

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

Financial liabilities

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

i) Borrowings

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

m) Financial instruments (continued)

Financial liabilities (continued)

i) Borrowings (continued)

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

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

ii) Trade and other payables

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

Impairment

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

Derecognition

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

Substantial modification

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

Offsetting financial instruments

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

n) Other current assets

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

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

o) Borrowings costs

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

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

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

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

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

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

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

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

q) Share capital and share premium

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

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

r) Earnings per share

i) *Basic earnings per share*

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

ii) *Diluted earnings per share*

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

s) Employee benefits

i) *Short term obligations*

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

ii) *Long term incentive scheme*

The Groups intention is to drive a strong and sustainable long-term performance culture by aligning the interests of Management with Shareholders, and to share wealth created with Management who have driven and delivered on the sustainable growth in the value of the company. The Management Long Term Incentive was approved by the Remuneration Committee and the committee has absolute discretion in the interpretation and application of the rules. The Company makes use of the Value Growth Units (VGU) by applying a consistent formulae to determine a value per VGU. The VGU's vest /are paid out after a three (3) year period subject to their value growth over the time period. The number of VGU's awarded is determined by the performance of the company against determined performance metrics which are assessed on an annual basis.

iii) *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 2024

2 Summary of material accounting policies (continued)

s) Employee benefits (continued)

ii) *Post-employment obligations (continued)*

Defined benefit pension plan (continued)

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

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

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

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

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

Termination benefits

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

t) Income tax

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

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

2 Summary of material accounting policies (continued)

t) Income tax (continued)

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

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

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

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

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

3 Critical accounting estimates and judgements

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

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

i) *Estimated Goodwill recoverable amount*

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

3 Critical accounting estimates and judgements (continued)

ii) *Valuation of biological assets*

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

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

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

iii) *Estimation of defined benefit obligation (DBO)*

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

iv) Impairment of financial assets

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

4 Financial risk management

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

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

- Increase in the retail footprint of the Group;
- Increase in production facilities of the Group, leading to higher volumes available for retail;
- Improvements in the management team across various areas of the Group leading to positive reinforcement of strong operational synergies.

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

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

4 Financial risk management (continued)

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.

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 2024		
Financial assets:		
Cash and cash equivalents	145,176	144,481
Trade and other receivables	430,704	401,840
	575,880	546,321
Financial liabilities:		
Bank overdrafts	(53,307)	(53,307)
Bank loans	(171,266)	(171,266)
Trade and other payable	(311,207)	(279,500)
Lease liabilities	(8,307)	(8,307)
	(544,087)	(512,380)
Net exposure	(31,793)	(33,941)
As at 30 September 2023		
Financial assets:		
Cash and cash equivalents	206,659	198,455
Trade and other receivables	132,927	68,581
	339,586	267,036
Financial liabilities:		
Bank overdrafts	(40,633)	(40,321)
Bank loans	(148,720)	(148,720)
Trade and other payables	(376,590)	(256,662)
Lease liabilities	(8,512)	(8,303)
	(574,455)	(454,006)
Net exposure	(234,869)	(186,970)

Sensitivity

At 30 September 2024, if the Zambian Kwacha had weakened/strengthened by 10% (2023: 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Impact on profit and equity	3,179	23,487	3,394	18,697

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

4 Financial risk management (continued)

a) *Market risk (continued)*

ii) *Cash flow and fair value Interest rate risk*

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. To manage the risks, the Group structures its debt with low spreads over the variable rate benchmark and protects itself with matching fixed interest rates on its borrowings. Management periodically reviews economic conditions relating to such variable benchmarks and is allowed to consider alternate debt structures where the need may arise.

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

	2024	% of total loans	2023	% of total loans
	K'000		K'000	
Group				
Variable rate borrowings	1,569,414	67%	1,073,911	65%
Company				
Variable rate borrowings	1,569,414	67%	884,232	60%

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

As at 30 September 2024, with all other variables held constant, a 5 % (2023: 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Impact on profit and equity	4,526	2,657	4,526	2,353

iii) *Price risk*

The Group does not hold any financial instruments subject to price risk (2023: Nil).

b) *Credit risk*

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

4 Financial risk management (continued)

b) *Credit risk (continued)*

i) *Risk management*

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

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

ii) *Security*

TThe Group does not obtain security on outstanding trade receivables.

iii) *Impairment of financial assets*

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

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

Trade receivables

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

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 September 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation and interest rates of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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

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

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

4 Financial risk management (continued)

b) *Credit risk (continued)*

On that basis, the loss allowance as at 30 September 2024 and 30 September 2023 was determined as follows for trade receivables:

30 September 2024	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	107,828	21,121	8,012	7,678	144,639
Expected loss rate	2.1%	8.7%	30.3%	100%	
Loss allowance	(2,293)	(1,845)	(2,430)	(7,678)	(14,246)
Amortised cost	105,535	19,276	5,582	-	130,393
Company					
Gross carrying amount	70,117	10,722	1,994	5,925	88,758
Expected loss rate	2.77%	13.13%	32.27%	100%	
Loss allowance	(1,943)	(1,408)	(643)	(5,925)	(9,919)
Amortised cost	68,174	9,314	1,351	-	78,839

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

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

	Group		Company	
	2024	2023	2024	2023
	K'000	**K'000**	**K'000**	**K'000**
At start of year	19,226	29,612	10,653	14,479
Charge recognised in profit or loss	1,264	2,713	(1,802)	1,768
Utilised	(6,244)	(13,099)	1,068	(5,594)
	14,246	19,226	9,919	10,653

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Performing debtors	4,139	11,713	3,985	6,304
Non-performing debtors - over 90 days	10,107	7,513	5,934	4,349
	14,246	19,226	9,919	10,653

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 2024

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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Floating rate				
Expiring within one year	281,154	2,574	281,154	2,280

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in a denominated currency and have an average maturity of 1 year (2023:1 year).

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 2024					
Group					
Trade and other payables*	905,587	-	-	-	905,587
Borrowings	1,657,398	512,587	556,281	83,372	2,809,638
Lease liabilities	11,223	7,430	7,404	4,725	30,782
	2,574,208	520,017	563,685	88,097	3,746,007
Company					
Trade and other payables*	1,166,642	-	-	-	1,166,642
Borrowings	1,657,398	512,587	556,281	83,372	2,809,638
Lease liabilities	11,223	7,430	7,404	4,725	30,782
	2,835,263	520,017	563,685	88,097	4,007,062
At 30 September 2023					
Group					
Trade and other payables*	820,902	-	-	-	820,902
Borrowings	1,062,438	200,493	257,824	500,163	2,020,918
Lease liabilities	2,038	17,172	5,936	6,005	31,151
	1,885,378	217,665	263,760	506,168	2,872,971
Company					
Trade and other payables*	495,035	-	-	-	495,035
Borrowings	872,759	200,493	257,824	500,163	1,831,239
Lease liabilities	759	14,244	-	-	15,003
	1,368,553	214,737	257,824	500,163	2,341,277

*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 2024

4 Financial risk management (continued)

d) *Agricultural risk*

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

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

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

e) *Capital risk management*

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

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

During 2023, the Group's strategy, which was unchanged from prior year, was to maintain a gearing ratio of less than 70%.The gearing ratio is not part of the contractual debt covenants imposed by the lenders. Therefore, there is no adverse financing implications on the Group in the event that the ratio deteriorates. The gearing ratios at 30 September 2024 and 30 September 2023 were as follows:

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Net debt (Note 30 (ii))	2,069,546	1,411,354	2,111,198	1,274,664
Total equity attributable to parent	4,973,185	4,683,756	3,890,600	4,138,333
Gearing ratio	42%	30%	54%	31%

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

4 Financial risk management (continued)

f) *Fair value measurements*

This note explains the judgements and estimates made in determining the fair values of the financial and 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 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 financial and 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 financial and 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 2024	K'000	K'000	K'000	K'000
Group				
Property plant and equipment	-	-	5,577,265	5,577,265
Borrowings	-	-	511,286	511,286
Biological assets	-	440,895	-	440,895
	-	440,895	6,088,551	6,529,446
Company				
Non-financial assets:				
Property plant and equipment	-	-	4,791,182	4,791,182
Borrowings	-	-	511,286	511,286
Biological assets	-	362,780	-	362,780
	-	362,780	5,302,468	5,665,248
At 30 September 2023				
Group				
Non-financial assets:				
Property plant and equipment	-	-	4,818,533	4,818,533
Borrowings	-	-	422,660	422,660
Biological assets	-	408,398	-	408,398
	-	408,398	5,241,193	5,649,591
Company				
Non-financial assets:				
Property plant and equipment	-	-	3,595,380	3,595,380
Borrowings	-	-	422,660	422,660
Biological assets	-	355,758	-	355,758
	-	355,758	4,018,040	4,373,798

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 2024

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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Financial assets at amortised cost				
Trade and other receivables (excluding prepayments)	321,461	315,078	450,497	1,266,813
Cash and cash equivalents	334,415	271,222	292,763	209,854
	655,876	586,300	743,260	1,476,667
Financial liabilities at amortised cost				
Borrowings	2,382,033	1,660,506	2,382,033	1,470,827
Lease liabilities	21,928	22,070	21,928	13,691
Trade and other payables (excluding statutory liabilities)	905,587	812,763	1,166,642	878,723
	3,309,548	2,495,339	3,570,603	2,363,241

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

5 Segment reporting

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

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

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

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

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

Group	Retailing and Cold Chain Food Products	Cropping & Milling	Total
2024	K'000	K'000	K'000
Segment revenue	5,349,141	4,875,996	10,225,137
Inter-segment eliminations	(558,182)	(2,351,110)	(2,909,292)
External revenue	4,790,959	2,524,886	7,315,845
Gross profit	1,172,392	1,302,726	2,475,118
2023			
Segment revenue	3,579,502	3,799,233	7,378,735
Inter-segment eliminations	(869,521)	(463,057)	(1,332,578)
External revenue	2,709,981	3,336,176	6,046,157
Gross profit	969,955	873,307	1,843,262

Company	Retailing and Cold Chain Food Products	Cropping & Milling	Total
2024	K'000	K'000	K'000
Segment revenue	4,014,294	2,925,217	6,939,511
Gross profit	709,091	1,302,726	2,011,817
2023			
Segment revenue	1,214,438	2,169,970	3,384,408
Gross profit	209,142	697,358	906,500

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

5 Segment reporting (continued)

i) *Segment revenue (continued)*

Group	Retailing and Cold Chain Food Products	Cropping & Milling	Total
2024	K'000	K'000	K'000
Gross profit by segment	1,172,392	1,302,726	2,475,118
Other income/(expenses)	22,103	(84,499)	(62,396)
Impairment of investment in associate	-	(34,370)	(34,370)
Distribution and administrative expenses	(1,265,929)	(625,231)	(1,891,160)
Operating profit	(71,434)	558,626	487,192
2023			
Gross profit by segment	969,955	873,307	1,843,262
Other income/(expenses)	(11,848)	(37,284)	(49,132)
Distribution and administrative expenses	(833,458)	(599,315)	(1,432,773)
Operating profit	124,649	236,708	361,357
Company			
2024			
Gross profit by segment	1,831,536	180,281	2,011,817
Other income/(expenses)	12,186	(81,085)	(68,899)
Impairment of investment in associate	-	(34,370)	(34,370)
Distribution and administrative expenses	(997,307)	(628,645)	(1,625,952)
Operating profit	846,415	(563,819)	282,596
2023			
Gross profit by segment	209,142	697,358	906,500
Other income/(expenses)	(8,080)	(11,752)	(19,832)
Distribution and administrative expenses	(173,418)	(569,353)	(742,771)
Operating profit	27,644	116,253	143,897

	Group		Company	
	2024	2023	2024	2023
	K'000	**K'000**	**K'000**	**K'000**
Operating profit	487,192	361,357	282,596	143,897
Unallocated:				
Net Finance income and costs	(294,531)	(155,089)	(294,188)	(123,921)
Share of loss from equity investment	-	(2,595)	-	(2,595)
Profit/(loss) before income tax	**192,661**	**203,673**	**(11,592)**	**17,381**

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

5 Segment reporting (continued)

ii) *Segment assets and liabilities*

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

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

	Company	Retailing Ltd	Masterpork	Other	Total
	K'000	K'000	K'000	K'000	K'000
As at 30 September 2024					
Total assets	7,611,358	443,230	591,013	166,897	8,812,498
Total liabilities	3,689,697	49,098	89,750	29,509	3,858,054
As at 30 September 2023					
Total assets	5,708,592	585,919	142,380	1,268,097	7,704,988
Total liabilities	2,311,433	427,308	39,258	259,049	3,037,048

6 Revenue from contract customers

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Retailing and food production	4,790,958	2,709,981	4,014,294	1,214,438
Cropping and Milling	2,524,887	3,336,176	2,925,217	2,169,970
	7,315,845	6,046,157	6,939,511	3,384,408

7 Other income/(expenses)

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Rental income	27,345	3,859	26,935	2,828
Management fees*	7,014	21,242	7,014	21,242
Gain/(loss) on disposal of fixed assets	581	(7,756)	326	1,040
Exchange gains/(losses) on working capital	(96,072)	(63,764)	(108,391)	(43,174)
	(61,132)	(46,419)	(74,116)	(18,064)

*The management fees relate to recharges of head office costs from the Company to the respective subsidiaries.

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

8 Breakdown of expenses by nature

	Group		Company	
	2024	2023	2024	2023
Cost of sales of goods:	K'000	K'000	K'000	K'000
Changes in inventory – Finished goods	4,652,725	3,739,698	4,221,396	1,948,055
Production and overhead costs	614,472	154,847	614,472	158,847
Fuel expenses	58,368	67,136	58,368	65,369
Transport	32,541	25,341	32,264	25,341
Veterinary	3,571	19,365	1,195	13,600
Other miscellaneous expenses	484,882	839,705	899,061	835,671
	5,846,559	4,846,092	5,826,756	3,046,883
Distribution expenses:				
Employee benefits expense (Note 9)	49,350	34,880	49,350	-
Depreciation	31,291	23,310	31,291	-
Repairs and maintenance	976	6,123	976	-
Levies and licenses	9,638	9,171	9,638	-
Transport	106,468	19,285	86,530	1,302
Insurance	2,043	116	2,043	-
Satellite	2,537	479	2,537	-
Travel	3,813	478	3,813	-
Other	2,279	2,445	4,593	-
	208,395	96,287	190,771	1,302
Administrative expenses:				
Depreciation	173,818	124,724	151,750	73,881
Employee benefits expense (Note 9)	769,570	683,333	659,657	386,982
Legal and other professional fees	32,914	24,337	29,367	18,575
Directors' remuneration	18,939	15,569	18,939	2,161
Auditors' remuneration	5,100	4,181	5,100	4,181
Repairs and maintenance	188,164	137,165	154,600	83,693
Water and electricity	161,616	89,531	159,979	57,889
Other miscellaneous expenses	332,644	257,646	252,374	114,107
	1,682,765	1,336,486	1,431,766	741,469
Total expenses	7,737,719	6,278,865	7,449,293	3,789,654

9 Finance income and costs

	Group		Company	
	2024	2023	2024	2023
Finance costs:				
Interest expense on bank overdrafts (Note 29(ii))	(118,669)	(87,323)	(118,669)	(57,471)
Interest expense on borrowings (Note 29(ii))	(148,681)	(44,646)	(148,681)	(44,646)
Interest expense on leases (Note 29(ii))	(3,437)	(2,462)	(3,322)	(1,312)
	(270,787)	(134,431)	(270,672)	(103,429)
Exchange losses on borrowings	(21,398)	(18,812)	(21,398)	(18,812)
Exchange losses on leases	(2,346)	(1,846)	(2,118)	(1,680)
	(23,744)	(20,658)	(23,516)	(20,492)
Net finance income and costs	(294,531)	(155,089)	(294,188)	(123,921)

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

10 Employee benefit expense

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Salaries and other staff costs	789,158	647,035	692,111	380,033
Retirement benefits costs:				
Social security costs	6,042	28,745	4,292	3,347
Pension costs	23,720	42,433	12,604	12,488
	818,920	718,213	709,007	395,868
Allocated as:				
Distribution expenses	49,350	34,880	49,350	-
Administrative expenses	769,570	683,333	659,657	395,868
	818,920	718,213	709,007	395,868

11 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Current income tax charge	24,775	92,567	11,959	32,906
Deferred income tax credit (Note 25)	(12,210)	(19,716)	(30,187)	(17,202)
	12,565	72,851	(18,228)	15,704

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

The Group has various tax rates applicable on the basis of individual being defined as agricultural entities or divisions (income tax rate of 10%) or manufacturing entities or divisions (income tax rate of 30%). Therefore, applicable tax rates range from 10% to 30% depending on the activities of the entities within the Group. The tax on the Group's and company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Profit before income tax from:				
Continuing operations	192,661	203,673	(11,592)	17,381
Discontinued operations	-	(10,604)	-	(10,604)
	192,661	193,069	(11,592)	6,777
Tax at rate of 10% (2023: 10%)	3,892	19,307	(16,779)	678
Tax effects of:				
Expenses not deductible for tax purposes	(7,441)	48,257	(17,564)	12,784
Effect of difference in tax rates	16,114	5,287	16,115	2,242
	12,565	72,851	(18,228)	15,704
Income tax expense is attributable to:				
Profit from continuing operations	12,565	72,851	(18,228)	15,704
Profit from discontinued operation	-	-	-	-
	12,565	72,851	(18,228)	15,704

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

11 Income tax expense (continued)

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

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
At start of year	42,764	38,520	13,354	14,681
Current income tax charge	24,775	92,567	11,959	32,906
Addition through business combination (Note 35)	-	-	10,233	-
Payments made during the year	(49,036)	(88,323)	(28,209)	(34,233)
At end of year	18,503	42,764	7,337	13,354

iii) Analysis of tax losses

During the year, the Group carried forward tax losses of K223.9 million (2023: K358.8 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 2020	5,327	30 September 2025
30 September 2021	-	30 September 2026
30 September 2022	1,986	30 September 2027
30 September 2023	154,321	30 September 2028
30 September 2024	62,280	30 September 2029
Total	223,914	

During the year, the Company carried forward tax losses of K169.9 million (2023: K340.7 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 2020	-	30 September 2025
30 September 2021	-	30 September 2026
30 September 2022	-	30 September 2027
30 September 2023	154,321	30 September 2028
30 September 2024	15,591	30 September 2029
Total	169,912	

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

12 Property, plant and equipment

Group	Right of use assets	Buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2022	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	1,586,040	717,249	761,745	126,616	53,571	80,701	3,325,922
Accumulated depreciation	(41,143)	(18,516)	(62,272)	(26,320)	(10,671)	-	(158,922)
Net book value	1,544,897	698,733	699,473	100,296	42,900	80,701	3,167,000
Year ended 30 September 2023							
Opening net book value	1,544,897	698,733	699,473	100,296	42,900	80,701	3,167,000
Additions incl. borrowing costs	-	4,928	176,520	77,552	26,884	531,411	817,295
Additions – ROU	10,916	-	-	-	-	-	10,916
Transfers	2,909	92,681	148,982	-	-	(244,572)	-
Reclassification of ROU	(10,050)	-	10,050	-	-	-	-
Revaluation surplus	1,003,412	-	-	-	-	-	1,003,412
Disposals -cost	-	-	(3,729)	(1,422)	(54)	-	(5,205)
Disposals-accumulated depreciation	-	-	705	525	11	-	1,241
Derecognised - cost	(4,139)	-	-	-	-	-	(4,139)
Derecognised – accumulated depreciation	2,075	-	-	-	-	-	2,075
Impairment of assets	-	-	(5,925)	-	(281)	-	(6,206)
Depreciation charge	(6,095)	(17,225)	(88,096)	(35,622)	(12,566)	-	(159,604)
Exchange differences	(2,952)	(1,891)	(1,261)	(113)	(2,035)	-	(8,252)
Net book value	2,540,973	777,226	936,719	141,216	54,859	367,540	4,818,533
As at 30 September 2023							
Cost or fair value	2,586,136	812,967	1,086,382	202,633	78,084	367,540	5,133,742
Accumulated depreciation	(45,163)	(35,741)	(149,663)	(61,417)	(23,225)	-	(315,209)
Net book value	2,540,973	777,226	936,719	141,216	54,859	367,540	4,818,533

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

12 Property, plant and equipment (continued)

Group	Right of use assets	Buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2023	K'000	K'000	K'000	K'000	K'000	K'000	K'000
Cost or fair value	2,586,136	812,967	1,086,382	202,633	78,084	367,540	5,133,742
Accumulated depreciation	(45,163)	(35,741)	(149,663)	(61,417)	(23,225)	-	(315,209)
Net book value	2,540,973	777,226	936,719	141,216	54,859	367,540	4,818,533
Year ended 30 September 2024							
Opening net book value	2,540,973	777,226	936,719	141,216	54,859	367,540	4,818,533
Additions incl. borrowing costs	-	6,473	162,314	66,947	20,551	558,996	815,281
Additions - ROU	6,605	-	-	-	-	-	6,605
Transfers	-	153,523	87,227	-	-	(240,750)	-
Reclassification from asset held for sale	87,641	49,043	20,517	236	203	-	157,640
Revaluation surplus	-	2,337	2,356	471	570	-	5,734
Disposals -cost	-	-	(3,739)	(5,077)	(45)	-	(8,861)
Disposals-accum dep	-	-	861	2,665	22	-	3,548
Impairment of assets	-	-	(3,941)	(22)	-	-	(3,963)
Depreciation charge	(5,480)	(20,831)	(118,526)	(47,586)	(17,989)	-	(210,412)
Exchange differences	-	(2,426)	(2,476)	(1,107)	(831)	-	(6,840)
Net book value	2,629,739	965,345	1,081,312	157,743	57,340	685,786	5,577,265
As at 30 September 2024							
Cost or fair value	2,680,382	1,021,916	1,348,641	264,081	98,532	685,786	6,099,338
Accumulated depreciation	(50,643)	(56,571)	(267,329)	(106,338)	(41,192)	-	(522,073)
Net book value	2,629,739	965,345	1,081,312	157,743	57,340	687,786	5,577,265

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

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

12 Property, plant and equipment (continued)

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

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

12 Property, plant and equipment (continued)

Company	Right of use assets	Land and buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
As at 30 September 2023	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Cost or fair value	2,241,881	557,656	633,126	43,140	32,905	226,571	3,735,279
Accumulated depreciation	(24,437)	(14,995)	(77,289)	(13,932)	(9,246)	-	(139,899)
Net book value	2,217,444	542,661	555,837	29,208	23,659	226,571	3,595,380
Year ended 30 September 2024							
Opening net book value	2,217,444	542,661	555,837	29,208	23,659	226,571	3,595,380
Additions - from business combination (Note 35)	35,578	228,251	219,691	114,177	30,481	56,714	684,892
Additions incl. borrowing costs	-	1,769	156,793	57,808	18,398	303,379	538,147
Additions -ROU	6,504	-	-	-	-	-	6,504
Transfers	-	73,537	37,186	-	-	(110,723)	-
Reclass from asset held for sale- cost	87,641	49,043	20,517	236	203	-	157,640
Impairment of assets	-	-	(3,393)	(22)	-	-	(3,415)
Disposals-cost	-	-	(3,235)	(5,077)	(45)	-	(8,357)
Disposals-accumulated depreciation	-	-	745	2,666	22	-	3,433
Depreciation charge	(4,328)	(15,057)	(101,624)	(45,145)	(16,888)	-	(183,042)
Net book value	2,342,839	880,204	882,517	153,851	55,830	475,941	4,791,182
As at 30 September 2024							
Cost or fair value	2,352,464	921,567	1,135,561	251,507	92,940	475,941	5,229,980
Accumulated depreciation	(9,625)	(41,363)	(253,044)	(97,656)	(37,110)	-	(438,798)
Net book value	2,342,839	880,204	882,517	153,851	55,830	475,941	4,791,182

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

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

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

12 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Cost	3,510,785	2,711,567	2,405,203	1,865,193
Accumulated depreciation	(1,373,549)	(1,173,314)	(1,088,009)	(977,188)
	2,137,236	1,538,253	1,317,194	888,005

Right of use assets

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

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

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

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

12 Property, plant and equipment (continued)

Right of use assets (continued)

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

Group	Leasehold Land	Buildings	Plant and machinery	Total
As at 30 September 2022				
Cost or fair value	1,512,508	28,187	45,345	1,586,040
Accumulated depreciation	-	(19,284)	(21,859)	(41,143)
Net book value	1,512,508	8,903	23,486	1,544,897
Year ended 30 September 2023				
Opening net book value	1,512,508	8,903	23,486	1,544,897
Additions - ROU	-	2,104	8,812	10,916
Transfers	-	-	2,909	2,909
Revaluation surplus	1,003,412	-	-	1,003,412
Reclassification from ROU	-	-	(10,050)	(10,050)
Derecognised - cost	-	(4,139)	-	(4,139)
Derecognised - accumulated depreciation	-	2,075	-	2,075
Depreciation charge	-	(2,023)	(4,072)	(6,095)
Exchange differences	(2,952)	-	-	(2,952)
Net book value	2,512,968	6,920	21,085	2,540,973
As at 30 September 2023				
Cost or fair value	2,512,968	26,152	47,016	2,586,136
Accumulated depreciation	-	(19,232)	(25,931)	(45,163)
Net book value	2,512,968	6,920	21,085	2,540,973
Year ended 30 September 2024				
Opening net book value	2,512,968	6,920	21,085	2,540,973
Additions - ROU	-	101	6,504	6,605
Reclassification from held for sale	87,641	-	-	87,641
Depreciation charge	-	(2,290)	(3,190)	(5,480)
Exchange differences	-	-	-	-
Net book value	2,600,609	4,731	24,399	2,629,739
As at 30 September 2024				
Cost or fair value	2,600,609	26,253	53,520	2,680,382
Accumulated depreciation	-	(21,522)	(29,121)	(50,643)
Net book value	2,600,609	4,731	24,399	2,629,739

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

12 Property, plant and equipment (continued)

Right of use assets (continued)

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

Company	Leasehold Land	Buildings	Plant and machinery	Total
As at 30 September 2022				
Cost or fair value	1,220,137	-	45,345	1,265,482
Accumulated depreciation	-	-	(21,754)	(21,754)
Net book value	1,220,137	-	23,591	1,243,728
Year ended 30 September 2023				
Opening net book value	1,220,137	-	23,591	1,243,728
Additions - ROU	-	-	9,023	9,023
Revaluation surplus	977,426	-	-	977,426
Reclassification from ROU	-	-	(10,050)	(10,050)
Depreciation charge	-	-	(2,683)	(2,683)
Net book value	2,197,563	-	19,881	2,217,444
As at 30 September 2023				
Cost or fair value	2,197,563	-	22,108	2,219,671
Accumulated depreciation	-	-	(2,227)	(2,227)
Net book value	2,197,563	-	19,881	2,217,444
Year ended 30 September 2024				
Opening net book value	2,197,563	-	19,881	2,217,444
Addition from business combination	28,507	7,071	-	35,578
Additions - ROU	-	-	6,504	6,504
Reclassification from asset held for sale	87,641	-	-	87,641
Depreciation charge	-	(1,138)	(3,190)	(4,328)
Net book value	2,313,711	5,933	23,195	2,342,839
As at 30 September 2024				
Cost or fair value	2,313,711	7,072	28,612	2,349,395
Accumulated depreciation	-	(1,139)	(5,417)	(6,556)
Net book value	2,313,711	5,933	23,195	2,342,839

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

13 Leases

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

a) *Lease liabilities*

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Current	8,578	6,448	8,578	6,288
Non-current	13,350	15,622	13,350	7,403
	21,928	22,070	21,928	13,691

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

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

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Depreciation charge:	5,480	6,095	4,328	2,683
Interest expense on lease liabilities	3,437	2,676	3,322	1,312
Expense relating to short-term leases	28,346	17,929	28,346	759
	37,263	26,700	35,996	4,754

During the year, there were no expenses relating to low-value assets and variable lease payments recognised in profit or loss (2023: Nil).

iii) *Maturity analysis of contractual lease payments outstanding*

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Within 1 year	11,223	2,038	11,223	759
Between 1 and 2 years	7,430	17,172	7,430	14,244
Between 2 and 3 years	4,137	1,972	4,137	-
Between 3 and 4 years	1,988	1,976	1,988	-
Between 4 and 5 years	1,279	1,988	1,279	-
Later than 5 years	4,726	6,005	4,726	-
Minimum lease payments	30,783	31,151	30,783	15,003
Finance charges	(8,855)	(9,081)	(8,855)	(1,312)
Net present value	21,928	22,070	21,928	13,691

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

14. Goodwill

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

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Masterpork Limited	15,699	15,699	15,699	-
Zamhatch Limited	9,316	9,316	-	-
	25,015	25,015	15,699	-

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

	Masterpork	Zamhatch
Year ended 30 September 2024		
Budgeted average operating margins	3%	12%
Discount rates	31.7%	31.7%
Long-term growth rate	13.9%	13.9%
Year ended 30 September 2023		
Budgeted average operating margins	2%	17%
Discount rates	27.4%	27.4%
Long-term growth rate	12.0%	12.0%

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.

	Masterpork	Zamhatch
Year ended 30 September 2024	**K'000**	**K'000**
Budgeted average operating margins (-2%)	(49,854)	(202,998)
Discount rates (+1%)	(3,895)	(71,836)
Long-term growth rate (-2%)	(2,981)	(75,308)
Year ended 30 September 2023		
Budgeted average operating margins (-2%)	(4,038)	(201,364)
Discount rates (+1%)	(26,149)	(36,611)
Long-term growth rate (-2%)	(25,925)	(82,507)

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

	2024	2023
	K'000	K'000
Masterpork Limited	13,267	98,972
Zamhatch Limited	618,979	403,441

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

15 Investment in subsidiaries

a) Subsidiaries

The Group's investments in subsidiaries at 30 September are set out below.

Subsidiary	2024	2023
	K'000	K'000
Investment in subsidiaries	104,020	104,020
Business combination adjustment (note 35)	(26,682)	-
	77,388	104,020

Breakdown of investment in subsidiaries	2024	2023
	K'000	K'000
Zambeef Retailing Limited	-	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
Zamchick Limited	16,443	16,443
Zamhatch Limited	57,942	57,942
	77,388	104,020

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

Name of subsidiary	Place of incorporation	Ownership interest		Principal activities
		2024	2023	
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
ZamChick Limited	Zambia	100%	100%	Processing and sale of poultry products
Zamhatch Limited	Zambia	100%	100%	Chicken breeding, rearing and production of stock feed
Zambeef Retailing Limited	Zambia	-	100%	Retailing of Zambeef products
Masterpork Limited	Zambia	-	100%	Processing and sale of pork products

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

15. Investment in subsidiaries (continued)

a) Non-controlling interest (NCI)

	Nigeria - Master Meat Ltd		Ghana - Master Meat Ltd	
	2024	2023	2024	2023
Statement of profit or loss	**K'000**	**K'000**	**K'000**	**K'000**
Revenue	131,681	224,925	45,910	42,273
Profit/(loss) for the year	1,545	7,415	(527)	1,227
Other comprehensive income	-	-	-	-
Total comprehensive income	1,545	7,415	(527)	1,227
Profit/(loss) allocated to NCI	309	1,483	(53)	123
Dividends paid to NCI	-	-	-	-

Statement of financial position

Current assets	16,052	25,756	3,872	5,117
Current liabilities	(102,798)	(85,891)	(4,766)	(4,456)
Net current (liabilities)/assets	(86,746)	(60,135)	(894)	661
Non-current assets	10,672	12,182	744	659
Non-current liabilities	-	-	(153)	(153)
Net non-current assets	10,672	12,182	591	506
Net (liabilities)/assets	(76,074)	(47,953)	(303)	1,167
Accumulated NCI	(15,215)	(7,095)	(30)	259
Statement of cash flows				
Cash flows in operating activities	1,545	7,415	(527)	1,227
Cash flows in investing activities	-	(417)	-	(11)
Cash flows from financing activities	-	-	-	-
Net increase/(decrease) in cash	1,545	6,998	(527)	1,216

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

16 Investment in associates

Set out below is the associate of the Group as at 30 September 2024 which, in the opinion of the Directors, is material to the Group. The entity has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also the entity's principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Entity	Place of incorporation	Ownership interest		Nature of relationship
		2024	2023	
Zampalm Limited	Zambia	10%	10%	Associate

Zampalm Limited's principal activity is the establishment of a palm oil plantation and processing plant and the production of crude palm oil. The company is still in the developmental stage and is expected to start generating profits in 2024. As at the end reporting date, the Group had a 10% equity interest in Zampalm Limited. The Group has reasonable influence over Zampalm Limited as it has representation on the Board of Directors, participates in policy making decisions and provides essential farming technical information.

The group has impaired its investment in Zampalm based on the lower than expected projections of the palm tree yields and the consequent lower production levels of palm oil.

The Group had no commitments and contingent liabilities in respect of the associate (2023: Nil).

16 Investment in associates (continued)

i) *Summarised financial information for associate*

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

	2024	2023
Statement of profit or loss:	K'000	K'000
Revenue	2,861	1,791
Loss from continuing operations	(11,212)	(25,954)
Loss for the year	(11,212)	(25,954)
Other comprehensive income	-	-
Total comprehensive income	(11,212)	(25,954)
Statement of financial position:		
Non-current assets	263,899	270,120
Current assets	6,301	10,504
Total assets	270,200	280,624
Capital and reserves	16,502	46,662
Non-current liabilities	229,522	209,588
Current liabilities	24,176	24,374
Total equity and liabilities	270,200	280,624

ii) *Reconciliation of carrying amounts:*

	2024	2023
At start of year	34,370	36,965
Share of loss for the year	-	(2,595)
Impairment of investment in associate	(34,370)	-
At end of year	-	34,370

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

17 Biological assets

The Group's biological assets comprise standing crops (wheat, maize and soya), feedlot cattle, dairy cattle and chickens.

i) Analysis by group of biological assets

Group	Standing crop	Feedlot cattle	Dairy cattle	Chickens	Total
	K'000	K'000	K'000	K'000	K'000
As at 30 September 2023					
At start of year	67,981	115,077	86,592	51,046	320,696
Increase due to purchases	453,357	273,635	1,664	69,078	797,734
Change in fair value of biological assets:					
Due to biological transformation	411,146	113,501	44,328	70,379	639,354
Due to price changes	-	-	-	3,843	3,843
	411,146	113,501	44,328	74,222	643,197
Transfer of harvest to inventory	(823,648)	-	-	-	(823,648)
Decrease due to slaughter/sale	-	(378,653)	(9,225)	(141,703)	(529,581)
At end of year	108,836	123,560	123,359	52,643	408,398
Current	108,836	123,560	-	52,643	285,039
Non-current	-	-	123,359	-	123,359
	108,836	**123,560**	**123,359**	**52,643**	**408,398**
As at 30 September 2024					
At start of year	108,836	123,560	123,359	52,643	408,398
Increase due to purchases	551,172	332,191	2,570	112,660	998,593
Change in fair value of biological assets:					
Due to biological transformation	690,333	177,448	31,281	98,656	997,718
Due to price changes	-	-	-	8,114	8,114
	690,333	177,448	31,281	106,770	1,005,832
Transfer of harvest to inventory	(1,248,939)	-	-	-	(1,248,939)
Decrease due to slaughter/sale	-	(515,796)	(13,238)	(193,955)	(722,989)
At end of year	101,402	117,403	143,972	78,118	440,895
Current	101,402	117,403	-	78,118	296,923
Non-current	-	-	143,972	-	143,972
	101,402	**117,403**	**143,972**	**78,118**	**440,895**

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 2024

17 Biological assets (continued)

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

Company	Standing crop	Feedlot cattle	Dairy cattle	Total
	K'000	K'000	K'000	K'000
As at 30 September 2023				
At start of year	67,981	115,077	86,592	269,650
Increase due to purchases	453,357	273,635	1,664	728,656
Change in fair value of biological assets:				
Due to biological transformation	411,146	113,501	44,328	568,975
Due to price changes	-	-	-	-
	411,146	113,501	44,328	568,975
Transfer of harvest to inventory	(823,648)	-	-	(823,648)
Decrease due to slaughter/sale	-	(378,653)	(9,225)	(387,878)
At end of year	108,836	123,560	123,359	355,755
Current	108,836	123,560	-	232,396
Non-current	-	-	123,359	123,359
	108,836	**123,560**	**123,359**	**355,755**
As at 30 September 2024				
At start of year	108,836	123,560	123,359	355,755
Increase due to purchases	551,172	332,194	2,570	885,936
Change in fair value of biological assets:				
Due to biological transformation	690,333	177,448	31,281	899,062
Due to price changes	-	-	-	-
	690,333	177,448	31,281	899,062
Transfer of harvest to inventory	(1,248,939)	-	-	(1,248,939)
Decrease due to slaughter/sale	-	(515,796)	(13,238)	(529,034)
At end of year	101,402	117,406	143,972	362,780
Current	101,402	117,406	-	218,808
Non-current	-	-	143,972	143,972
	101,402	**117,406**	**143,972**	**362,780**

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 2024

17 Biological assets (continued)

ii) *Number of hectares and livestock*

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

	Group		Company	
	2024	2023	2024	2023
Number of hectares				
Standing crop	1,375	1,172	1,375	1,172
Number of livestock				
Feedlot cattle	11,134	9,612	11,134	9,612
Dairy cattle	3,915	3,685	3,915	3,685
Chickens	517,145	220,856	-	-
Culled animals				
Feedlot cattle	36,365	30,462	36,365	30,462
Dairy cattle	818	544	818	544
Chickens	5,151,987	4,018,464	-	-

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	
	2024	2023	2024	2023
Average weight - kg				
Bulls	418	456	418	456
Heifers	343	322	343	322
Steers	372	333	372	333
Cows	515	437	515	437
Chickens	1.85	1.85	-	-
Average yields per hectare - tons				
Wheat	7.25	6.78	7.25	6.78
Soya	2.59	2.79	2.59	2.79

iv) *Sensitivity*

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

	Impact on biological assets			
	Group		Company	
	2024	2023	2024	2023
Change in assumption	K'000	K'000	K'000	K'000
Average weight (-1%)	(2,244)	(1,557)	(2,244)	(1,557)
Average yields per hectare (-1%)	(1,271)	(911)	(1,271)	(911)

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

18 Inventory

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Trading stocks	195,033	565,225	143,860	427,028
Abattoir stocks	17,995	31,700	17,995	31,700
Raw materials	934,466	451,405	896,462	172,969
Stock feed	644,798	439,190	627,572	397,428
Consumables	279,835	156,707	243,647	75,352
Raw hides and chemicals	16,651	12,260	-	-
	2,088,778	**1,656,487**	**1,929,536**	**1,104,477**
Inventories recognised as an expense	4,652,725	3,739,698	4,221,396	1,948,055

19 Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Trade receivables	144,639	113,734	88,758	40,645
Loss allowance (Note 4(b))	(14,246)	(19,226)	(9,919)	(10,653)
	130,393	94,508	78,839	29,992
Amounts due from related parties (Note 32)	298	3,248	167,081	1,055,062
Loans receivable (Note 32)	-	-	95,123	75,339
Prepayments	24,669	16,997	21,790	10,629
Other receivables	190,770	217,950	109,454	106,420
	346,130	**332,703**	**472,287**	**1,277,442**

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 (2023: Nil).

20 Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Cash at bank and in hand	**334,415**	**271,222**	**292,763**	**209,854**

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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Balances as above	334,415	271,222	292,763	209,854
Bank overdrafts (Note 25)	(722,280)	(651,689)	(722,280)	(462,010)
Balances per statement of cash flows	**(387,865)**	**(380,467)**	**(429,517)**	**(252,156)**

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 2024

21 Discontinued operations

The Chiawa Farm unit was classified as an asset held for sale in the previous year as management had decided to sell the farm and had been actively marketing the farm. The probable sale did not materialize due to a number of factors including changes in the macro economic environment.

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

i) *Financial performance*

	2024	2023
	K'000	K'000
Revenue	-	152,466
Expenses	-	(163,070)
Loss before income tax	-	(10,604)
Income tax expense	-	-
Loss for the year	-	(10,604)
Other comprehensive income	-	-
Total comprehensive income for the year	-	(10,604)

ii) *Cashflow information*

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

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:

	2024	2023
	K'000	K'000
Assets classified as held for sale		
Property plant and equipment	157,640	170,091
Transfers	-	(5,540)
Depreciation charge	-	(6,911)
Reclassed to fixed assets (Note 12)	(157,640)	-
	-	157,640

There were no liabilities directly associated with assets classified as held for sale during the year (2023: Nil).

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

22 Share capital and share premium

	2024 Shares	2023 Shares	2024 K'000	2023 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 on the London Stock Exchange and 162,903,611 are held by shareholders on the Lusaka Stock Exchange.

ii) *Preference shares*

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

As at 30 September, BII did not exercise its conversion rights. Accordingly for so long as BII does not exercise its conversion rights and continues to hold the Preference Shares after the Eighth Anniversary, BII's voting rights remained unchanged, with four voting rights for every five Preference Shares held, together with one vote for each ordinary share held, resulting in BII continuing to hold approximately 34.8% of the total voting rights in the Company.

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

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

23 Foreign currency translation reserve

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

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
At start of year	660,390	692,705	687,048	687,048
Translation differences - foreign operations	(35,821)	(40,617)	-	-
Less translation difference - NCI	8,871	8,302	-	-
At end of year	633,440	660,390	687,048	687,048

24 Revaluation reserve

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

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

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
At start of year	1,964,087	1,113,119	1,561,799	712,279
Additions through business combinations (Note 35)	-	-	197,599	
Revaluation surplus (Note 12)	5,734	1,003,412	-	977,426
Excess depreciation	(49,059)	(53,928)	(40,170)	(30,155)
Deferred income tax (Note 26)	133,328	(98,516)	128,455	(97,751)
At end of year	**2,054,090**	**1,964,087**	**1,847,683**	**1,561,799**

25 Borrowings

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Non-Current				
Bank loans	856,362	687,679	856,362	687,679
Current				
Bank loans	803,391	321,138	803,391	321,138
Bank overdrafts	722,280	651,689	722,280	462,010
	1,525,671	972,827	1,525,671	783,148
	2,382,033	**1,660,506**	**2,382,033**	**1,470,827**

Refer to Note 30 (ii) for details on the movement in borrowings on the statement of financial position.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

25 Borrowings (continued)

i) *Bank loans*

Standard Chartered Bank Zambia Plc

The Group has a structured agricultural facility with an annual revolving limit. The purpose of the facility is the financing of wheat, soya beans and maize under collateral management agreements. Interest on the facility is SOFR plus 4.45 per cent per annum calculated on the daily overdrawn balances. The facility is secured by a fixed and floating charge over grain stocks of wheat, soya beans and maize and is repayable in 270 days. As at the end of the reporting period, the effective interest rate was 9.28 % (2023: 9.77%).

International Finance Corporation (IFC)

The Group has an eight (8) year Kwacha loan facility with the IFC. Interest is fixed at 16 per cent per annum. The loan is secured through a first ranking legal mortgage over R/E of Farm No. 4450, R/E of Farm No. 4451 & R/E of Farm No. 5388 (Mpongwe farm) and is fully repayable in June 2030. The First ranking legal mortgage ranks pari passu with Absa Bank Zambia Plc. As at the end of the reporting period, the effective interest rate was 16 % (2023: 16%).

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 with 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 22.0 % (2023: 18.5%).

Absa Bank Zambia Plc

The Group has an amortizing loan at an interest rate of Bank of Zambia policy rate plus 6.5%. The facility is secured through a first ranking legal mortgage over R/E of Farm No. 4450, R/E of Farm No. 4451 & R/E of Farm No. 5388 (Mpongwe farm). The first ranking charge ranks pari passu with the International Finance Corporation (IFC) and is repayable in February 2026. As at the end of the reporting period, the effective interest rate was 19.5% (2023:16.0%).

The Group also has a revolving loan facility at an interest rate of Bank of Zambia policy rate plus 8.25% margin. Interest is payable in quarterly instalments. This facility is secured by floating debenture over all assets of the group. The floating debenture ranks pari passu with other local lenders. The loan is repayable by 31st March 2025.

The Group has a short- term working capital facility at an interest rate of Bank of Zambia Policy Rate plus 5.5%. Interest is payable monthly. This facility is secured by floating debenture over all assets of the group. The floating debenture ranks pari passu with other local lenders. The maximum tenor for each drawing is 12 months, with the first drawing falling due for repayment by 31st May 2025.

ZANACO Plc

The Group has an amortizing five year loan facility at an interest rate of Bank of Zambia policy rate plus 6.0%. The facility is secured through a first legal mortgage over Plot no 4970 Manda road Lusaka and a floating debenture over Zambeef's assets ranking pari passu with Standard Chartered Bank, Stanbic Bank and Citibank. The loan is repayable in July 2028. As at the end of the reporting period, the effective interest rate was 19.5% (2023:16.0%).

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

25 Borrowings (continued)

ii) *Bank-overdrafts*

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

Interest on the bank overdrafts are payable at, in respect of ZMW limits, the prevailing Bank of Zambia (BOZ) Monetary Policy Rate plus a liquidity premium and a margin ranging from 3.5 % to 7.5% and in respect of USD limits, the prevailing SOFR rate plus a margin ranging from 3.5% to 4%. As at the end of the reporting period, the average effective interest rate was 14.14% (2023: 12.65%).

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 ABSA, Standard Chartered Bank Zambia Plc, Citibank Zambia Limited, Zanaco Bank Plc, Stanbic Bank Zambia Limited and First National Bank (FNB).

iii) *Compliance with loan covenants*

	Target	2024	2023
Interest cover ratio: (EBITDA/Interest charges)	>2.5	2.7	3.4
Current ratio: (Current assets/Current liabilities)	>1.3	1.1	1.3
Debt service cover ratio: (EBITDA/Debt service)	>1.5	1.8	2.7
Net debt to EBITDA ratio (Total debt- cash)/EBITDA)	<3.0	2.9	2.5
Loan to covenant value (Total debt/Total assets)	<130%	7%	7%
Liabilities to tangible net worth ratio (Total liabilities/(Equity-Goodwill-Deferred tax)	<1.0	0.8	0.6

At the end of the reporting period, the Group breached the target current ratios for Stanbic and IFC. Per the loan agreements, there are no consequences for breach of financial covenants as this is restricted to lack of debt repayments. The company has informed the lenders on the remedial measures to be taken in order to resolve the breach..

iv) *Fair value*

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either:

- the interest payable on those borrowings is close to current market rates, or
- the borrowings are of a short-term nature.

Material differences are identified only for the following borrowings:

	Group			
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
	Carrying amount	Fair value	Carrying amount	Fair value
Bank loans	2,809,638	511,286	2,020,918	422,660

	Company			
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
	Carrying amount	Fair value	Carrying amount	Fair value
Bank loans	2,809,638	511,286	1,831,239	422,660

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

26 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
At start of year	302,017	223,217	220,829	140,280
Additions through business combination (Note 35)	(1,893)	-	46,077	
(Credit)/charge in profit or loss	(12,210)	(19,716)	(30,187)	(17,202)
Charge/(credit) in equity	(133,328)	98,516	(128,455)	97,751
At end of year	154,586	302,017	108,264	220,829

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 2024

26 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	Business Combination	Profit or loss	Equity	At end of year
Group	**K'000**	**K'000**	**K'000**	**K'000**	**K'000**
Year ended 30 September 2024					
Deferred income tax liabilities					
Property, plant and equipment	111,311	-	(28,678)	-	82,633
Revaluation surplus	246,301		-	(133,328)	112,973
Change in fair value of biological assets	40,331	-	(47)	-	40,284
Deferred income tax assets					
Tax losses carried forward	(39,454)	-	8,585	-	(30,869)
Defined benefit obligation	(13,185)	-	1,097	-	(12,088)
Other temporary differences	(43,287)	(1,893)	6,833	-	(38,347)
	302,017	**(1,893)**	**(12,210)**	**(133,328)**	**154,586**
Year ended 30 September 2023					
Deferred income tax liabilities					
Property, plant and equipment	118,966	-	(7,655)	-	111,311
Revaluation surplus	148,692	-	-	97,609	246,301
Change in fair value of biological assets	31,564	-	8,767	-	40,331
Deferred income tax assets					
Tax losses carried forward	(32,565)	-	(6,889)	-	(39,454)
Defined benefit obligation	(12,069)	-	(2,023)	907	(13,185)
Other temporary differences	(31,371)	-	(11,916)	-	(43,287)
	223,217	**-**	**(19,716)**	**98,516**	**302,017**
Company					
Year ended 30 September 2024					
Deferred income tax liabilities					
Property, plant and equipment	72,776	20,233	(39,508)	-	53,501
Revaluation surplus	176,902	49,310	-	(129,317)	96,895
Change in fair value of biological assets	35,570	-	(753)	-	34,817
Deferred income tax assets					
Tax losses carried forward	(36,559)	-	5,358	-	(31,201)
Defined benefit obligation	(3,341)	(2,160)	888	862	(3,751)
Other temporary differences	(24,519)	(21,306)	3,828	-	(41,997)
	220,829	**46,077**	**(30,187)**	**(128,455)**	**108,264**
Year ended 30 September 2023					
Deferred income tax liabilities					
Property, plant and equipment	74,759	-	(1,983)	-	72,776
Revaluation surplus	79,151	-	-	97,734	176,885
Change in fair value of biological assets	26,966	-	8,604	-	35,570
Deferred income tax assets					
Tax losses carried forward	(27,483)	-	(9,076)	-	(36,559)
Defined benefit obligation	(3,166)	-	(175)	17	(3,324)
Other temporary differences	(9,947)	-	(14,572)	-	(24,519)
	140,280	**-**	**(17,202)**	**97,751**	**220,829**

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

27 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
At start of year	1,631	3,654	902	366
Additions through business combination	-	-	729	
Current service cost	77	70	77	39
Past service cost	-	213	-	117
Interest cost	201	348	201	193
Amount recognised in profit or loss	278	631	278	349
Actuarial remeasurements				-
Change in demographic assumptions	-	-	-	-
Change in financial assumptions	349	(580)	349	(321)
Early settlement (gains)/losses	2,157	700	2,157	509
Experience adjustment	17	648	17	237
Amount recognised in equity	2,523	768	2,523	425
Benefit payments	(2,597)	(3,422)	(2,597)	(238)
Per statement of financial position	1,835	1,631	1,835	902
Present value of unfunded obligation	1,835	1,631	1,835	902

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	
	2024	2023	2024	2023
Discount rate	28%	28%	28%	28%
Salary growth rate	19%	14%	14%	14%

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

27 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 60:

	Probability of reaching retirement age in service			
	Group		Company	
	2024	2023	2024	2023
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 2024

27 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Discount rate (-1%)	76	60	76	33
Salary growth rate (+1%)	85	71	85	39
life expectancy (-1 year)	(172)	(846)	(172)	(423)

The scheme does not have any assets and therefore benefits are met as they become due. The weighted average duration of the defined benefit obligation is 9.1 years (2023: 9.4 years).

v) Maturity analysis

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

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Within 1 year	-	-	-	-
Between 1 - 2 years	-	-	-	-
Between 2 - 5 years	496	1,113	496	275
Over 5 years	2,864	518	2,864	1,889
	3,360	1,631	3,360	2,164

28 Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Trade payables	520,760	432,668	469,968	223,190
Amounts due to related parties (Note 31)	-	-	364,835	390,103
Gratuity and leave pay accruals	146,270	117,538	130,747	64,807
Legal and other related claims	179,179	68,977	179,179	68,977
Statutory liabilities	12,087	21,428	6,326	7,303
Other payables	59,378	193,580	21,911	131,646
	917,674	834,191	1,172,966	886,026

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 2024

29 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
At start of year	164,063	97,400	94,976	97,400
Revenue recognised from opening liability	(164,063)	(97,400)	(94,976)	(97,400)
Receipts from customer at year end	357,999	164,063	356,672	94,976
At end of year	357,999	164,063	356,672	94,976

During the year, there was no revenue recognised from performance obligations satisfied in previous periods (2023: 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.

30 Cash flow information

i) Cash generated from operations

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Profit/(loss) before income tax from:				
Continuing operations	192,661	203,673	(11,592)	17,381
Discontinued operations (Note (21(i))	-	(10,604)	-	(10,604)
	192,661	193,069	(11,592)	6,777
Adjustments for:				
Changes in employee benefits (Note 27(i))	278	631	278	350
Interest expense on leases (Note 9)	3,437	2,462	3,322	1,312
Exchange losses/gains on leases (Note 9)	2,346	1,846	2,118	1,680
Interest expense/capitalised on borrowings	211,132	44,646	211,132	44,646
Interest expense on bank borrowings (Note 9)	118,669	87,323	118,669	57,471
Exchange gains on borrowings (Note 9)	21,398	18,812	21,398	18,812
Loss/(gain) on disposal of assets (Note 7)	(581)	7,756	(326)	(1,040)
Depreciation on property, plant and equipment	210,412	165,699	183,042	73,881
Depreciation on assets held for sale (Note 21 (ii))	-	6,911	-	6,911
Share of loss of associate (Note 16(ii))	-	2,595	-	2,595
Impairment of investment in associate	34,370	-	34,370	-
Change in fair value of biological assets (Note 17)	(1,005,832)	(643,197)	(899,062)	(568,975)
Foreign exchange differences	(35,211)	(33,270)	(1,298)	2,984
	(439,582)	(337,786)	(326,357)	(359,373)
Changes in working capital:				
Biological assets*	973,335	555,495	892,037	482,870
Inventories**	(432,291)	(214,575)	(388,662)	(126,810)
Trade and other receivables**	(13,427)	(43,403)	1,193,774	(490,922)
Trade and other payables**	81,590	184,618	(1,374,713)	518,212
Contract liabilities	193,936	66,663	261,695	(2,424)
	803,143	548,798	584,131	380,926
Cash generated from operations	556,222	404,081	246,182	28,330

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

** The changes in working capital have taken into account the balances arising from the business combination by incorporating prior year numbers into the movement.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

30 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	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Cash and cash equivalents (Note 20)	334,415	271,222	292,763	209,854
Bank loans (Note 25)	(1,659,753)	(1,008,817)	(1,659,753)	(1,008,817)
Bank overdrafts (Note 25)	(722,280)	(651,689)	(722,280)	(462,010)
Lease liabilities (Note 13(a)(iii))	(21,928)	(22,070)	(21,928)	(13,691)
Net debt	(2,069,546)	(1,411,354)	(2,111,198)	(1,274,664)

Group	Liabilities from financing activities		Net Cash/ (Bank-over-drafts)	Total
	Bank loans	Leases		
2023	**K'000**	**K'000**	**K'000**	**K'000**
At start of year	(599,866)	(17,643)	(127,708)	(745,217)
Additions	(916,396)	(9,900)	(252,759)	(1,179,055)
Interest charged	(44,646)	(2,676)	(87,323)	(134,645)
Principal repayments	526,257	7,319	-	533,576
Interest paid	44,646	2,676	87,323	134,645
Foreign exchange gains	(18,812)	(1,846)	-	(20,658)
At end of year	**(1,008,817)**	**(22,070)**	**(380,467)**	**(1,411,354)**
2024				
At start of year	(1,008,817)	(22,070)	(380,467)	(1,411,354)
Additions	(1,369,057)	(4,953)	(2,272)	(1,376,282)
Interest charged	(148,681)	(3,437)	(118,669)	(270,787)
Interest charged – capitalized	(62,451)	-	-	(62,451)
Principal repayments	739,519	7,441	-	746,960
Interest paid	211,132	3,437	118,669	333,238
Foreign exchange losses	(21,398)	(2,346)	(5,126)	(28,870)
At end of year	**(1,659,753)**	**(21,928)**	**(387,865)**	**(2,069,546)**
Company				
2023				
At start of year	(599,866)	(10,232)	(27,876)	(637,974)
Additions	(916,396)	(7,793)	(224,280)	(1,148,469)
Interest charged	(44,646)	(1,312)	(57,471)	(103,429)
Principal repayments	526,257	6,016	-	532,273
Interest paid	44,646	1,312	57,471	103,429
Foreign exchange gains	(18,812)	(1,682)	-	(20,494)
At end of year	**(1,008,817)**	**(13,691)**	**(252,156)**	**(1,274,664)**
2024				
At start of year	(1,008,817)	(13,691)	(252,156)	(1,274,664)
Additions through business combination	-	(7,295)	(164,222)	(171,517)
Additions	(1,369,057)	(6,265)	(1,241)	(1,376,563)
Interest charged - expensed	(148,681)	(3,322)	(118,669)	(270,672)
Interest charged- capitalised	(62,451)	-	-	(62,451)
Principal repayments	739,519	7,441	-	746,960
Interest paid	211,132	3,322	118,669	333,123
Foreign exchange losses	(21,398)	(2,118)	(11,898)	(35,414)
At end of year	**(1,659,753)**	**(21,928)**	**(429,517)**	**(2,111,198)**

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

31 Earnings per share (EPS)

	Group	
	2024	2023
	Ngwee	Ngwee
Basic earnings per share		
Continuing operations	59.83	42.99
Discontinued operations	-	(3.53)
Total basic earnings per share	59.83	39.46
Diluted earnings per share		
Continuing operations	44.89	32.25
Discontinued operations	-	(2.65)
Total diluted earnings per share	44.89	29.60

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	
	2024	2023
	K'000	K'000
Continuing operations	179,840	129,217
Discontinued operations	-	(10,604)
	179,840	118,613

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

	2024	2023
	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 2024

32 Related party transactions

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

Name	Type	Place of incorporation	Ownership interest	
			2024	2023
BII plc	Major shareholder	London	17.5%	17.5%

i) ***Subsidiaries***

Interests in subsidiaries are set out in Note 14.

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

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

	Group		Company	
	2024	2023	2024	2023
	K'000	**K'000**	**K'000**	**K'000**
Short-term employee benefits	197,470	169,253	187,303	136,450
Retirement benefit cost - NAPSA	1,428	955	1,377	748
	198,898	170,208	188,680	137,198

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

The following transactions occurred with related parties:

	Company	
	2024	2023
	K'000	K'000
Sales of:		
Beef products	-	1,510,425
Poultry products	315,272	608,374
Pork products	96,871	68,497
Shoe products	3,739	
	415,882	2,187,296
Purchases of:		
Beef products	-	7,236
Poultry products	392,358	69,604
Pork products	-	3,001
Leather products	21,665	3,042
	414,023	82,883

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 2024

32 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:	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
Subsidiaries:				
Zamleather Limited	-	-	103,365	89,997
Zamhatch Limited	-	-	63,716	512,400
Masterpork Limited	-	-	-	199,227
Zamchick Limted	-	-	-	250,666
Common directorship:			-	-
Java Foods	298	199	-	426
Associates:			-	-
Zampalm Limited	-	3,049	-	2,346
	298	3,248	167,081	1,055,062
Payables to:				
Subsidiary				
Zambeef Retailing Limited	-	-	-	390,103
Zamchick Limited	-	-	364,835	-
Loans receivable				
At start of year	-	-	75,339	67,386
Foreign exchange gains		-	19,784	16,746
Loan repayments received	-	-	-	(8,793)
	-	-	95,123	75,339

The loans receivable relates to amounts advanced to foreign subsidiaries in Nigeria of K95.1 million (2023: K73.5 million) and Ghana of K2.2 million (2023: K1.8 million) for the purposes working capital requirements. The loans are unsecured, payable on demand and interest free.

Notes to Annual Financial Statements (continued)

For the year ended 30 September 2024

32 Related party transactions (continued)

v) *Directors' remuneration*

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

Name	Position	2024	2023
Faith Mukutu	Executive Director	9,706	8,215
Mboo Mumba	Executive Director	4,167	4,149
Walter Roodt	Executive Director	-	839
Patrick Kalifungwa	Executive Director	898	-
		14,771	13,203
Michael Mundashi SC	Non-Executive Director	531	989
Patrick Wanjelani	Non-Executive Director	312	-
Jonathan Kirby	Non-executive Director	686	624
Katebe Monica Musonda	Non-Executive Director	789	624
Pearson Gowero	Non-Executive Director	686	624
Muyangwa Muyangwa	Non-Executive Director	582	219
John Clifford Rich	Non-Executive Director	582	125
		4,168	3,205
Total		18,939	16,408

Summary of director's remuneration

	2024	2023
	K'000	K'000
Non-executive Director fees	4,168	3,205
Executive Director salaries and short-term emoluments	14,735	13,171
Retirement benefit costs – NAPSA contributions	36	32
	18,939	16,408

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 (2023: Nil).

34 Commitments

i) *Capital commitments*

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities was K nil (2023: K83.6 million).

ii) *Operating commitments*

Contractual obligation for future purchase of raw materials not recognised as a liability was K nil (2023: Nil).

Notes to Annual Financial Statements (continued)
For the year ended 30 September 2024

35 Business combination under common control

On 1st October 2024, Zambeef Products PLC, acquired the assets and liabilities of its wholly owned subsidiaries, Zambeef Retailing, Master Pork Limited and the feedmill under Zamhatch Limited for purposes of garnering operational efficiencies and economies of scale of the Company in Zambia. This transaction was approved by the Board of Directors on 22 November 2022.

The predecessor accounting method was applied to the acquisition as it was a common control transaction. Consequently, the Company took over the carrying value of the assets and liabilities of the two subsidiaries at nil consideration.

The following table summarises the carrying value of the assets and liabilities assumed at the acquisition date, revenue and profit or loss of the acquirees since the acquisition date included in the statement of profit or loss and other comprehensive income.

	2024 K'000
Identifiable assets acquired and liabilities assumed;	
Property plant and equipment	684,892
Inventories	436,397
Trade and other receivables	388,615
Cash and cash equivalent	(164,222)
Share capital/premium + reserves on acquisition	(10,933)
Lease liabilities	(7,293)
Borrowings	(206,846)
Deferred income tax	(44,184)
Trade and other payables	(1,661,651)
Current income tax payable	(10,233)
Net Assets	(599,243)
Restructuring reserve	380,301
Revenue – post acquisition	4,878,175
Profit – post acquisition	2,224,289

36 Events occurring after the reporting period

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

Supplementary Information - presented in USD (unaudited)

Statement of Profit or Loss and Other Comprehensive Income

	Group		Company	
	2024	2023	2024	2023
	US$'000	**US$'000**	**US$'000**	**US$'000**
Revenue from contracts with customers	295,113	331,478	279,932	185,549
Change in fair value of biological assets	40,574	35,263	36,267	31,194
Cost of sales of providing goods	(235,844)	(265,685)	(235,044)	(167,044)
Gross profit	**99,843**	**101,056**	**81,155**	**49,699**
Other income/(expenses)	(2,466)	(2,545)	(2,990)	(1,892)
Net impairment losses on financial assets	(51)	(149)	73	(97)
Impairment of investment in associate	(1,386)	-	(1,386)	-
Distribution expenses	(8,406)	(5,279)	(7,695)	(71)
Administrative expenses	(67,881)	(73,272)	(57,756)	(40,651)
Operating profit	**19,653**	**19,811**	**11,401**	**6,988**
Net finance income and costs	(11,881)	(1,275)	(11,867)	(364)
Share of loss from equity investment	-	(7,370)	-	(5,670)
Profit before income tax	**7,772**	**11,166**	**(466)**	**954**
Income tax expense	(407)	(3,994)	735	(861)
(Loss)/profit from continuing operation	7,365	7,172	269	93
Profit from asset held for sale	-	(581)	-	(581)
Profit for the year	**7,365**	**6,591**	**269**	**(488)**
Profit attributable to:				
Owners of Zambeef Products PLC	7,355	6,503	269	(488)
Non-controlling interests	10	88	-	-
	7,365	6,591	269	(488)
Other comprehensive income:				
Items that maybe reclassified to profit or loss				
Translation losses on foreign operations	(1,445)	(2,227)	-	-
Translation losses on Mpongwe Farms	-	-	-	-
Items not reclassified to profit or loss				
Revaluation surplus	231	55,012	-	53,587
Actuarial remeasurement losses	(102)	(42)	(102)	(23)
Deferred income tax	5,378	(5,401)	5,181	(5,359)
Other comprehensive income for the year	4,062	47,342	5,079	48,205
Total comprehensive income for the year	**11,427**	**53,933**	**5,348**	**47,717**

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

	Group		Company	
	2024	2023	2024	2023
	US$'000	US$'000	US$'000	US$'000
Total comprehensive income for the period is attributable to:				
Owners of Zambeef Products Plc	11,659	54,300	5,348	47,717
Non-controlling interests	(232)	(367)	-	-
	11,427	53,933	5,348	47,717
Basic earnings per share				
Continued operations	2.41	2.36		
Discontinued operations	-	(0.19)		
Total basic earnings per share	2.41	2.17		
Diluted earnings per share				
Continued operations	1.81	1.77		
Discontinued operations	-	(0.15)		
Total diluted earnings per share	1.81	1.62		

Consolidated Statement of Financial Position

	30-Sept-24	30-Sept-23
ASSETS	**US$'000**	**US$'000**
Non-current assets		
Property, plant and equipment	210,147	229,236
Goodwill	943	1,190
Investment in associate	-	1,635
Biological assets	5,424	5,869
	216,514	237,930
Current assets		
Biological assets	11,188	13,560
Inventories	78,703	78,805
Trade and other receivables	13,042	15,828
Cash and cash equivalents	12,600	12,903
Current assets excl. assets classified as held for sale	115,533	121,096
Assets classified as held for sale	-	7,500
Total current assets	115,533	128,596
Total assets	**332,047**	**366,526**
EQUITY		
Share capital	449	449
Share premium	185,095	185,095
Preference share capital	100	100
Foreign currency translation reserve	23,867	49,843
Revaluation reserve	77,395	51,360
Retained earnings	(99,522)	(64,023)
Attributable to owners of parent entity	187,384	222,824
Non-controlling interests	(574)	(315)
	186,810	222,509
LIBILITIES		
Non-current liabilities		
Borrowings	32,267	32,715
Lease liabilities	503	743
Deferred income tax	5,825	14,368
Defined benefit obligations	69	78
	38,664	47,904
Current liabilities		
Borrowings	57,486	46,281
Lease liabilities	323	307
Trade and other payables	34,578	39,686
Contract liabilities	13,489	7,805
Current income tax	697	2,034
	106,573	96,113
Total equity and liabilities	**332,047**	**366,526**

Company statement of Financial Position

	30-Sept-24	30-Sept-23
ASSETS	**US$'000**	**US$'000**
Non-current assets		
Property, plant and equipment	180,527	171,046
Goodwill	592	-
Investment in subsidiaries	2,916	4,949
Investment in associate	-	1,635
Biological assets	5,424	5,869
	189,459	183,499
Current assets		
Biological assets	8,244	11,056
Inventories	72,703	52,544
Trade and other receivables	17,795	60,771
Cash and cash equivalents	11,031	9,984
Current assets excl. assets classified as held for sale	109,773	134,355
Assets classified as held for sale	-	7,500
Total current assets	109,773	141,855
Total assets	**299,232**	**325,354**
EQUITY		
Share capital	449	449
Share premium	185,095	185,095
Preference share capital	100	100
Foreign currency translation reserve	25,887	42,945
Revaluation reserve	69,619	65,256
Retained earnings	(134,556)	(96,968)
	146,594	196,877
LIABILITIES		
Non-current liabilities		
Lease liabilities	503	352
Borrowings	32,267	32,715
Deferred income tax	4,079	10,506
Defined benefit obligations	69	43
	36,918	43,616
Current liabilities		
Lease liabilities	323	299
Borrowings	57,486	37,257
Trade and other payables	44,196	42,152
Contract liabilities	13,439	4,518
Current income tax	276	635
	115,720	84,861
Total equity and liabilities	**299,232**	**325,354**

30TH 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 30th Annual General Meeting of the members of the company will be held virtually (https://eagm.creg.co.zw/EAGM/Login.aspx) on the 30th day of December 2024 at 10:00 hours; in respect of the year ended 30 September 2024.

AGENDA

1. **Minutes of the previous meeting**

   To receive and note the minutes of the 29th Annual General Meeting held on 29 December 2023 duly approved by the Chairman in accordance with the Companies Act.

2. **Ordinary Resolutions**

   Ordinary Resolution No. 1

   To receive adopt and approve the reports of the Directors, the Auditors, and the Financial Statements for the year ended September 30, 2024.

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

4. **Ordinary Resolutions to confirm the newly appointed directors**

   To confirm the appointment of Mr. Patrick Wanjelani who was appointed by the board as a chairman and director with effect from 19 June 2024 and Mr. Patrick Kalifungwa who was appointed by the board as director with effect from 1 August 2024.

   4.1.1 Ordinary Resolution No. 2 Mr. Patrick Wanjelani

   4.1.2 Ordinary Resolution No. 3. Mr. Patrick Kalifungwa

   Ordinary Resolutions to re-election of directors retiring by rotation

   To re-elect each of Pearson Gowero and Katebe Monica Musonda who retire by rotation in terms of the Companies Act, and who, being eligible, offer themselves for re-election.

   4.1.3 Ordinary Resolution No. 4 Mr Pearson Gowero

   4.1.4 Ordinary Resolution No. 5 Ms. Katebe Monica Musonda

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

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

   To approve the annual fees payable by the company to the Non-Executive Directors, for the year ending 30 September 2025, unless otherwise determined by the company in a general meeting, to be revised by 15%

as follows:

- from K 629 200 to K 723,580 for a Board member;
- from K 701 800 to K 807,070 for a Board member and Committee Chairperson
- from K 1 113 200 to K 1,280,180 for the Board Chairman.

4.3 Ordinary Resolution No. 7: Re-appointment of the Independent Auditor

Pursuant to the requirements of sections 257(1) of the Companies Act No. 10 of 2017, and as nominated by the company's Audit Committee, to resolve that Messer's PricewaterhouseCoopers be re-appointed as the company's independent registered auditor for the financial year ending 30 September 2025 and to authorise the Directors to determine their remuneration.

5. Non - Declaration of Final Dividend

Owing to the Group's ongoing expansion projects, the Directors recommend that no dividend be paid for the financial year ended September 2024.

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

6. Other business

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

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

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

Corpserve Transfer Agents Limited
6 Mwaleshi Road, Olympia Park, Lusaka, Zambia
Telephone : +260 (211) 256969/70
Facsimile : +260 (211) 256975
Mobile No : +260 950968435
Email: - info@corpservezambia.com.zm

By Order of the Board

Mwansa M Mutimushi

COMPANY SECRETARY

NOTES

Key Sign Up Sign-instructions

a). Sign Up

- Use the following link to access the platform;

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

b). Sign in

- Use the following link to access the platform:

  https://eagm.corpservezambia.com.zm/eagm
- Enter username
- Enter Password
- Click Login
- Click "Zambeef logo" on the landing page to confirm online attendance
- Enter the token that has been received through your email or SMS on your mobile number captured when you were signing up on the platform.
- Click "Join webinar" to begin following video and audio transmission of the meeting proceedings.

MINUTES OF THE 29TH ANNUAL GENERAL MEETING OF MEMBERS HELD ON 29TH DECEMBER, 2023 AT 10:00 HOURS AT THE NEELKANTH SAROVAR PREMIERE HOTEL, LUSAKA AND VIRTUALLY FROM VARIOUS LOCATIONS

1 PRESENT DIRECTORATE:

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

SECRETARY: Mwansa Mutimushi

(Lists of members present as attached)

2 CALL TO ORDER / QUORUM

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

3 APOLOGIES FOR ABSENCE

Apologies for absence were recorded for Jonathan Kirby and Dr. John Rich.

4 AGENDA

The notice and agenda were adopted as presented.

5 MINUTES OF THE PREVIOUS MEETING

The minutes of the Annual General Meeting of 27 December 2022 were noted.

6 MATTERS ARISING

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

7 THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The directors' report, the auditor's report and annual financial statements for the year ended 30 September 2023 were presented.

It was resolved that the directors' report and financial statements for the year ended 30 September 2023 be approved and adopted and that all matters undertaken and discharged by the directors on behalf of the company be confirmed.

8 CONFIRMATION AND RE-ELECTION OF DIRECTORS

i. It was resolved that directors Muyangwa Muyangwa and Dr John Rich who were appointed in the year be confirmed.

ii. It was resolved that Messer's Michael Mundashi SC and Jonathan Kirby whose term of office came to an end and retired by rotation but offered themselves for re-election be re-elected and confirmed as director.

9 APPROVAL OF DIRECTORS' FEES

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

It was resolved that the director's fees be revised upwards by 10% as follows:

Board Chairman: Committee Chairperson:

Board Member:

From K1 012 000 to K1 113 200 per annum

From K638 000 to K701 000 per annum

From K572 000 to K629 200 per annum

10 APPOINTMENT OF INDEPENDENT AUDITORS AND DETERMINATION OF THEIR REMUNERATION

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

11 ANY OTHER BUSINESS

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

CHAIRMAN

SECRETARY

Dated this 13th day of February 2024

29 DECEMBER 2023 AGM ATTENDANCE REGISTER

1) PROXIES

NAME	PROXY	SHARES HELD	%
STANDARD CHARTERED ZAMBIA SECURITIES SERVICES NOMINEES LTD	MICHAEL MUNDASHI - CHAIRMAN	52,601,435	17.50
NATIONAL PENSION SCHEME AUTHORITY	WANE CHIRWA	24,797,819	8.25
SATURNIA REGNA PENSION FUND	MUMBA MUSUNGA	13,961,011	4.64
SHAKA HOLDINGS INC	JOHN RABB	7,868,813	2.62
SPRAYVIEW TRUST	JOHN RABB	6,131,187	2.04
PUBLIC SERVICE PENSIONS FUND BOARD	AGNESS MUTALE	6,803,840	2.26
ZAMBIA SUGAR PENSION TRUST -SCHEME	MUMBA MUSUNGA	3,968,349	1.32
STANBIC BANK PENSION TRUST FUND	MUMBA MUSUNGA	3,702,160	1.23
ZANACO PLC DC PENSION SCHEME	MUMBA MUSUNGA	2,237,931	0.74
KCM PENSION TRUST SCHEME	MUMBA MUSUNGA	1,505,824	0.50
ZAMBIAN BREWERIES PLC PENSION TRUST SCHEME	MUMBA MUSUNGA	1,309,699	0.44
ABSA BANK ZAMBIA PLC STAFF PENSION FUND	MUMBA MUSUNGA	1,238,829	0.41
ABSA BANK ZAMBIA PLC STAFF PENSION FUND	NATASHA NAKAWALA	1,238,828	0.41
STANDARD CHARTERED BANK PENSION TRUST FUND	MUMBA MUSUNGA	1,108,671	0.37
CHILANGA CEMENT PENSION TRUST SCHEME	MUMBA MUSUNGA	1,017,190	0.34
AIRTEL ZAMBIA STAFF PENSION FUND	MUMBA MUSUNGA	997,466	0.33
LUBAMBE COPPER MINES PENSION TRUST SCHEME	MUMBA MUSUNGA	909,222	0.30
BUYANTANSHI PENSION TRUST FUND	MUMBA MUSUNGA	866,334	0.29
ZRA PENSION TRUST SCHEME	MUMBA MUSUNGA	777,025	0.26
GOLDEN SUNSET PENSION FUND	MUMBA MUSUNGA	621,254	0.21
CEC PENSION TRUST SCHEME	MUMBA MUSUNGA	563,950	0.19
SANDVIK MINING PENSION TRUST SCHEME	MUMBA MUSUNGA	493,562	0.16
PICZ PENSION TRUST-MONEY PURCHASE	NATASHA NAKAWALA	407,225	0.14
WORKCOM PENSION TRUST SCHEME	MUMBA MUSUNGA	378,729	0.13
GAME STORES PENSION TRUST SCHEME	MUMBA MUSUNGA	317,432	0.11
INDENI PENSION TRUST SCHEME	MUMBA MUSUNGA	226,124	0.08
FQM ZAMBIA STAFF PENSION SCHEME	NATASHA NAKAWALA	208,935	0.07
NATIONAL BREWERIES PENSION TRUST SCHEME	MUMBA MUSUNGA	202,112	0.07
PSPF STAFF PENSION SCHEME	MUMBA MUSUNGA	199,704	0.07
HEALTH SECTOR GRANT AIDED INSTITUTIONS PENSION SCHEME	MUMBA MUSUNGA	195,181	0.06
MINOR HOTELS ZAMBIA PENSION TRUST SCHEME	MUMBA MUSUNGA	194,913	0.06
ZAMBIA REVENUE AUTHORITY PENSION TRUST SCHEME	NATASHA NAKAWALA	186,900	0.06
RAIL SYSTEMS OF ZAMBIA	NATASHA NAKAWALA	175,160	0.06
AFRICA 53	NATASHA NAKAWALA	172,836	0.06
EXAMINATIONS COUNCIL OF ZAMBIA	NATASHA NAKAWALA	171,877	0.06
DELOITTE AND TOUCHE PENSION TRUST SCHEME	MUMBA MUSUNGA	165,807	0.06
PRUDENTIAL LIFE ASSURANCE ZAMBIA LIMITED-SHF	NATASHA NAKAWALA	154,460	0.05
ECOBANK ZAMBIA LIMITED PENSION TRUST SCHEME	MUMBA MUSUNGA	154,259	0.05
SCZ INTERNATIONAL LTD PENSION TRUST	MUMBA MUSUNGA	141,503	0.05
FINANCE BANK	NATASHA NAKAWALA	137,931	0.05
OCTAGON UMBRELLA TRUST FUND	MUMBA MUSUNGA	131,371	0.04

ZAMBIA NATIONAL BUILDING SOCIETY	NATASHA NAKAWALA	110,266	0.04
ACCESS BANK ZAMBIA LIMITED PENSION SCHEME	MUMBA MUSUNGA	87,409	0.03
TOYOTA ZAMBIA	NATASHA NAKAWALA	65,808	0.02
ZAMRA PENSION TRUST SCHEME	MUMBA MUSUNGA	62,149	0.02
WORKCOM TRUST PENSION SCHEME PPMZ	NATASHA NAKAWALA	59,198	0.02
MULTICHOICE PENSION SCHEME	NATASHA NAKAWALA	50,334	0.02
BUYANTANSHI PENSION TRUST FUND	NATASHA NAKAWALA	47,393	0.02
ZAMBEZI RIVER AUTHORITY	NATASHA NAKAWALA	40,600	0.01
ZRL PENSION TRUST SCHEME	MUMBA MUSUNGA	39,504	0.01
LUSAKA TRUST PENSION SCHEME	NATASHA NAKAWALA	14,558	0.00
FINAL SALARY	NATASHA NAKAWALA	13,790	0.00
CEC PESION TRUST SCHEME	NATASHA NAKAWALA	8,542	0.00
BUYANTANSHI PENSION SCHEME	NATASHA NAKAWALA	4,750	0.00
SANLAM LIFE INSURANCE (Z) LTD	MUMBA MUSUNGA	4,550	0.00
TOTAL	-	**139,251,709**	**46.33**

2) ATTENDEES - SHAREHOLDERS

Name	Proxy	Shares Held	%
ICM EQUITIES LIMITED		123,125	0.04
SEKELI MABOSHE		33,276	0.01
CHIMFWEMBE SAKALA		20,094	0.01
CHISANGA KALUBA		13,503	0.00
LUSEMUNA BWALYA CHILONGOSHI		10,130	0.00
MUBANGA MUBANGA		10,053	0.00
ELISHAH SHAKAMI		8,720	0.00
VICTORIA CHAMA		6,150	0.00
KAUNDA SALIMU		3,965	0.00
MUKUWE SOOMA		3,804	0.00
TEZA SIMEMBA		3,330	0.00
MWANSA NAMUKULWA		2,300	0.00
EDWARD SAKALA		2,282	0.00
EMMANUEL CHIPILI		1,882	0.00
MULENGA KANSAMBA		1,165	0.00
MASUZYO CHIRWA		760	0.00
METROLIAH SITALI		603	0.00
ANDREW NYIKA		500	0.00
MBAWEMI LUNGU		481	0.00
RICHARD MUTEBA		422	0.00
BRIGHTON SIKALANGWE		420	0.00
MISOZI ANGELA MASOTOMELA		390	0.00
DAVID NSIMBI		200	0.00
JOSHUA SIMWAWA		100	0.00
AKUNJIVWA MUKWASA		5	0.00
TOTAL		**247,660**	**0.08**

3) ATTENDEES - NON SHAREHOLDERS

Name	Representing	Count
JOSHUA TEMBO	AUTUS SECURITIES	1
NAMUKOLO MUSONDA	CORPSERVE ZAMBIA	2
SETFREE NHAPI	CORPSERVE ZAMBIA	3
JAMES NDHLOVU	CORPSERVE ZAMBIA	4
ANDREW CHIBUYE	PRICEWATERHOUSECOOPERS (PWC) ZAMBIA	5
MATONGO MATONGO	STANBIC BANK ZAMBIA	6
BRIGHT E NDHLOVU	ZAMBEEF PRODUCTS PLC	7
SEKELE EZEKIEL	ZAMBEEF PRODUCTS PLC	8
MWAMBA SIAME	ZAMBEEF PRODUCTS PLC	9
MOONDE MUDIMBA	ZAMBEEF PRODUCTS PLC	10
NYANGU KANYAMBA	ZAMBEEF PRODUCTS PLC	11
IVY MUNDU	ZAMBEEF PRODUCTS PLC	12
SAMUEL MUSUKUMA	ZAMBEEF PRODUCTS PLC	13
IVOR CHILUFYA	ZAMBEEF PRODUCTS PLC	14
INNOCENT PHIRI	ZAMBEEF PRODUCTS PLC	15
MONICA MUSONDA	ZAMBEEF PRODUCTS PLC - BOARD MEMBER	16
ROMAN FRENKEL	ZAMBEEF PRODUCTS PLC - BOARD MEMBER	17
PEARSON GOWERO	ZAMBEEF PRODUCTS PLC - BOARD MEMBER	18
MICHAEL MUNDASHI	ZAMBEEF PRODUCTS PLC - CHAIRMAN	19
FAITH MUKUTU	ZAMBEEF PRODUCTS PLC - CHIEF EXECUTIVE OFFICER	20
MBOO MUMBA	ZAMBEEF PRODUCTS PLC - CHIEF FINANCIAL OFFICER	21
GERRIE KAPAFIDZE	ZAMBEEF PRODUCTS PLC - COMMERCIAL EXECUTIVE	22
TEBA MUKUKA	ZAMBEEF PRODUCTS PLC - LEGAL OFFICER	23
MWANSA MUTIMUSHI	ZAMBEEF PRODUCTS PLC - COMPANY SECRETARY	24

Feeding the Nation
ZAMBEEF
Products PLC

FORM OF PROXY

For the 30th Annual General Meeting

I/We ____

(Name/s in block letters)

of ____ (address)

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

1. ____________________ of ____________________ or in his absence

Number of votes

2. ____________________ of ____________________ or in his absence

(1 share = 1 vote)

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 the 30th day of December 2024 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, 2024			
2	Confirmation of Directors			
3	Mr. Patrick Wanjelani			
4	Mr. Patrick Kalifungwa			
5	Re-election of Directors			
6.	P. Gowero			
7.	M. Musonda			
	To approve the annual fees payable by the company to the Non-Executive Directors, for the year ending 30 September 2025, unless otherwise determined by the company in a general meeting, to be revised by 15%			
	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 ____________ 2024

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.


ZAM
Feeding the Nation
ZAMBEEF