

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

2. Principal accounting policies (continued)

(n) Biological assets

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

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

(o) Inventory

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

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

(p) Cash and cash equivalents

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

2. Principal accounting policies (continued)

(q) Interest bearing liabilities

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

(r) Other income

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

(s) Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

2. Principal accounting policies (continued)

(t) Employee benefits

(i) Pension obligations

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

(ii) Termination benefits

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

(u) Dividend distributions

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

(v) Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Preference shares are classified as equity if they are non-redeemable and any dividends are discretionary, or are redeemable but only at the group's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

The revaluation reserve within equity comprises gains and losses due to the revaluation of property, plant and equipment. This reserve is non-distributable.

Foreign currency translation differences arising from translating to presentational currency and translating foreign operations are included in the foreign exchange reserve. These reserves are non-distributable.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income. All transactions with owners of the parent are recorded separately within equity.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

2. Principal accounting policies (continued)

(w) Segmental reporting

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

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

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

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

- Zambeef
- Retailing
- Master Pork
- Other

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

(x) Provisions (Restructuring costs and legal claims)

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

3. Critical accounting estimates and judgements

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

Significant management judgements

Recognition of deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Management applies judgement in assessing whether a deferred tax asset is recognised on carried forward trading losses based on anticipated future profits. This takes into account projections made by the business and expected future market conditions.

Estimation Uncertainty

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

(i) Valuation of biological assets and inventory

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

The most significant estimate relates to management's assessment of anticipated yield per hectare for establishing the fair value of standing crops. This assessment considers historic yields, climate conditions and certain other key factors. Realisation of the carrying amounts of biological assets of ZMW176.3 million (USD8.7 million); ZMW14.4 million (USD0.9 million) (2019: ZMW170.4 million [USD12.9 million]; ZMW10.3 million [USD0.8 million]) is affected by price changes in different market segments, and ZMW524.4 million (USD32.4 million) (2019: ZMW613.5 million [USD49.8 million]) is affected by physical changes in different segments. Refer note to 16.

Inventories are measured at the lower of cost and net realizable value. In estimating net realizable values, management considers the most reliable evidence available at the times the estimates are made. Future realization of the carrying amounts of inventory assets of ZMW1,103.6 million (USD54.8 million) (2019: ZMW941.2 million [USD71.3 million]) is affected by price changes in different market segments.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

4. Management of financial risk

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

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

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

4.1 Financial risk

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

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

4.2 Credit risk

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

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

4.3 Interest risk

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

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

4.4 Capital management

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

4. Management of financial risk (continued)

Capital structure

	2020	2019
(i) In Zambian Kwacha	ZMW'000s	ZMW'000s
Cash and cash equivalents	(236,909)	(274,425)
Interest bearing liabilities	(560,126)	(611,925)
Equity	3,770,739	3,245,709
	2,973,704	2,359,359

	2020	2019
(ii) In United States Dollars	USD'000s	USD'000s
Cash and cash equivalents	(11,763)	(20,790)
Interest bearing liabilities	(27,812)	(46,358)
Equity	187,226	245,887
	147,651	178,739

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

4.5 Foreign exchange risk

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

4.6 Agricultural risk

Agricultural production by its nature contains elements of significant risks and uncertainties which may adversely affect the business and operations of the Group, including but not limited to the following: (i) any future climate change with a potential shift in weather patterns leading to floods or droughts and associated crop losses; (ii) potential insect, fungal and weed infestations resulting in crop failure and reduced yields; (iii) wild and domestic animal conflicts and crop raiding; and (iv) livestock disease outbreaks. Adverse weather conditions represent a significant operating risk to the business, affecting the quality and quantity of production and the levels of farm inputs.

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

5. Segmental reporting

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

5. Segmental reporting (continued)
Year ended 30 September 2020

The segment information for the reporting period is as follows:

(i) In Zambian Kwacha

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Retailing – Zambia		2,177,555		188,754
Master Meats Nigeria	164,275		37,924	
Master Meats Ghana	54,483		16,699	
Retailing West Africa		218,758		54,623
Total Retailing		2,396,313		243,377
Beef	522,585		164,307	
Chicken	300,668		39,037	
Day old chicks	128,326		53,126	
Pork	285,581		53,194	
Milk and dairy	218,207		91,760	
Eggs	61,004		(148)	
Total Cold Chain Food Production		1,516,371		401,276
Gross Combined Retail and CCFP		3,912,684		644,653
Less: Intra/Inter Sales		(1,399,926)		
Combined Retail & CCFP		2,512,758		644,653
Stock Feed		1,331,965		255,888
Crops		651,560		266,405
Mill and Bakery	173,659		34,107	
Leather and shoe	29,950		14,569	
Total Other		203,609		48,676
Total		4,699,892		1,215,622
Less: Intra/Inter Group Sales		(824,788)		
Group total		3,875,104		1,215,622
Central operating costs and other income				(1,005,091)
Operating profit				210,531
Foreign exchange losses				(137,705)
Finance costs				(92,322)
Share of loss on equity accounted investment				(3,177)
Loss before tax				(22,673)

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

5. Segmental reporting (continued)

Year ended 30 September 2020

(i) In Zambian Kwacha

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

Year ended 30 September 2019

(i) In Zambian Kwacha

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Retailing – Zambia		1,853,721		172,031
Master Meats Nigeria	138,732		27,381	
Master Meats Ghana	46,222		14,090	
Retailing West Africa		184,954		41,471
Total Retailing		2,038,675		213,502
Beef	474,941		127,946	
Chicken	247,580		52,405	
Zamhatch	112,665		60,310	
Pork	252,952		38,642	
Milk and dairy	206,531		67,409	
Fish	36,612		7,180	
Eggs	57,211		13,765	
Total Cold Chain Food Production		1,388,492		367,657
Gross Combined Retail and CCFP		3,427,167		581,159
Less: Intra/Inter Sales		(1,303,519)		
Combined Retail & CCFP		2,123,648		581,159
Stock Feed		986,075		191,011
Crops		474,202		270,116
Mill and Bakery	183,520		30,517	
Leather and shoe	26,828		8,744	
Total Other		210,348		39,261
Total		3,794,273		1,081,547
Less: Intra/Inter Group Sales		(659,306)		
Group total		3,134,967		1,081,547
Central operating costs and other income				(920,338)
Operating profit				161,209
Foreign exchange losses				(36,730)
Finance costs				(82,790)
Share of loss on equity accounted investment				(3,036)
Profit before tax				38,653

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

5. Segmental reporting (continued)

Year ended 30 September 2019

Segments	Zambia	Nigeria	Ghana	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Cold Chain Food Production	3,242,213	138,732	46,222	3,427,167
Stockfeed	986,075	-	-	986,075
Cropping	474,202	-	-	474,202
Other	210,348	-	-	210,348
Sub-total	4,912,838	138,732	46,222	5,097,792
Intra/inter group sales	(1,962,825)	-	-	(1,962,825)
Total	2,950,013	138,732	46,222	3,134,967

Operating assets/(liabilities)	Zambeef	Retailing	Masterpork	Other	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Property plant and equipment	2,060,110	209,897	84,443	487,374	2,841,824
Biological assets and inventories	777,065	70,921	19,195	200,645	1,067,826
Cash, cash equivalents and bank overdrafts	(195,772)	(96,500)	1,461	16,386	(274,425)
Trade and other receivables	28,153	10,129	11,912	47,831	98,025
Trade and other payables	(158,504)	(49,327)	(19,654)	(32,100)	(259,585)

Year ended 30 September 2020

(ii) In US Dollars

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	USD'000s	USD'000s	USD'000s	USD'000s
Retailing – Zambia		134,666		11,673
Master Meats Nigeria	10,159		2,345	
Master Meats Ghana	3,369		1,033	
Retail – West Africa		13,528		3,378
Total Retailing		148,194		15,051
Beef	32,318		10,161	
Chicken	18,594		2,414	
Day old chicks	7,936		3,285	
Pork	17,661		3,291	
Milk and dairy	13,495		5,675	
Eggs	3,773		(9)	
Total Cold Chain Food Production		93,777		24,817
Gross Combined Retail and CCFP		241,971		39,868
Less: Intra/Inter Sales		(86,576)		-
Combined Retail & CCFP		155,395		39,868
Stock Feed		82,373		15,824
Crops		40,294		16,476
Mill and Bakery	10,740		2,109	
Leather and shoe	1,852		901	
Total Other		12,592		3,010
Total		290,654		75,178
Less: Intra/Inter Group Sales		(51,006)		
Group total		239,648		75,178
Central operating costs and other income				(62,158)
Operating profit				13,020
Foreign exchange losses				(8,516)
Finance costs				(5,709)
Share of loss on equity accounted investment				(197)
Loss before tax				(1,402)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

5. Segmental reporting (continued)

Year ended 30 September 2020

(ii) In US Dollars

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

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

Year ended 30 September 2019

(ii) In US Dollars

Segment	Revenue	Revenue	Gross Profit	Gross Profit
	USD'000s	USD'000s	USD'000s	USD'000s
Retailing – Zambia		150,464		13,964
Master Meats Nigeria	11,261		2,222	
Master Meats Ghana	3,752		1,144	
Retail – West Africa		15,013		3,366
Total Retailing		165,477		17,330
Beef	38,550		10,385	
Chicken	20,096		4,254	
Zamhatch	9,145		4,895	
Pork	20,532		3,137	
Milk and dairy	16,764		5,472	
Fish	2,972		583	
Eggs	4,644		1,117	
Total Cold Chain Food Production		112,703		29,843
Gross Combined Retail and CCFP		278,180		47,173
Less: Intra/Inter Sales		(105,806)		
Combined Retail & CCFP		172,374		47,173
Stock Feed		80,039		15,503
Crops		38,490		21,925
Mill and Bakery	14,896		2,477	
Leather and shoe	2,178		710	
Edible oils	-		-	
Total Other		17,074		3,187
Total		307,977		87,788
Less: Intra/Inter Group Sales		(53,515)		
Group total		254,462		87,788
Central operating costs and other income				(74,703)
Operating profit				13,085
Foreign exchange gains				(2,981)
Finance costs				(6,720)
Share of loss on equity accounted investment				(246)
Profit before tax				3,138

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

5. Segmental reporting (continued)

Year ended 30 September 2019

Segment	Zambia	Nigeria	Ghana	Total
	USD'000s	USD'000s	USD'000s	USD'000s
Cold Chain Food Production	263,166	11,261	3,752	278,179
Stockfeed	80,039	-	-	80,039
Cropping	38,490	-	-	38,490
Other	17,074	-	-	17,074
Sub-total	398,769	11,261	3,752	413,782
Intra/inter group sales	(159,320)	-	-	(159,320)
Total	239,449	11,261	3,752	254,462

Operating assets/(liabilities)	Zambeef	Retailing	Masterpork	Other	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Property plant and equipment	156,069	15,901	6,397	36,923	215,290
Biological assets and inventories	58,867	5,373	1,454	15,200	80,894
Cash, cash equivalents and bank overdrafts	(14,831)	(7,311)	111	1,241	(20,790)
Trade and other receivables	2,132	767	902	3,625	7,426
Trade and other payables	(12,282)	(3,737)	(1,489)	(2,158)	(19,666)

Geographical	2020				2019			
	Revenues	Non-current assets	Revenues	Non-current assets	Revenues	Non-current assets	Revenues	Non-current assets
	ZMW'000s	ZMW'000s	USD'000s	USD'000s	ZMW'000s	ZMW'000s	USD'000s	USD'000s
Zambia	3,618,848	3,236,288	223,794	160,690	2,903,553	2,818,694	235,679	213,538
West Africa	218,759	28,217	13,529	1,401	184,954	23,130	15,013	1,752
Rest of world	37,497	-	2,325	-	46,460	-	3,770	-
	3,875,104	3,264,505	239,648	162,091	3,134,967	2,841,824	254,462	215,290

6. Other income

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

7. Operating profit

	2020		2019	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Operating profit is stated after charging/(crediting):				
Depreciation				
- Owned assets	125,150	74,440	109,453	64,766
- Leased assets	16,258	6,022	12,468	6,283
Staff costs	493,484	255,721	453,701	250,627
Legal and other professional fees	7,568	7,229	7,178	3,065
Directors' remuneration				
- Executive	11,555	11,555	19,020	19,020
- Non-Executive	3,374	3,374	4,727	4,727
	14,929	14,929	23,747	23,747
Auditors' remuneration				
- Audit services	4,825	4,560	2,104	1,303
- Non audit services	-	-	-	-
	4,825	4,560	2,104	1,303
Allowance for credit losses	6,980	3,937	1,201	652
(Loss)/profit on disposal of property, plant and equipment	(4,796)	(1,216)	986	1,821
Rentals under leases	1,359	-	12,842	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

7. Operating profit (continued)

	2020		2019	
Operating profit	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Operating profit before taxation is stated after charging/(crediting):				
Depreciation				
– Owned assets	7,740	4,604	8,884	5,257
– Leased assets	1,005	372	1,012	510
Staff costs	30,518	15,815	36,826	20,346
Legal and other professional fees	468	447	583	249
Directors' remuneration				
– Executive	716	716	1,543	1,543
– Non-Executive	209	209	384	384
	925	925	1,927	1,927
Auditors' remuneration				
– Audit services	298	282	171	106
– Non audit services	-	-	-	-
	298	282	171	106
Allowance for credit losses	432	243	97	53
(Loss)/profit on disposal of property, plant and equipment	(32)	(75)	80	147
Rentals under operating leases	84	-	1,042	-

8. Staff costs

The Group employed an average of 7,082 employees during the year ended 30 September 2020 (2019: 7,407).

	2020 Number	2019 Number
Zambeef Products PLC, Zambeef Retailing Limited, Zam Chick Limited, Zamhatch Limited & Zamleather Limited	6,467	6,803
Master Pork Limited	299	284
Foreign Subsidiaries	316	320
Total	7,082	7,407

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

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Salaries and wages	449,513	27,799	436,227	35,408
Social security costs	21,980	1,359	12,856	1,043
Pension costs	21,991	1,360	4,618	375
	493,484	30,518	453,701	36,826

2020	Francis Grogan	Walter Roodt	Faith Mukutu	Danny Museteka	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Salaries and fees	1,083	2,240	2,309	1,848	7,480
Bonus	-	-	-	-	-
Pension contributions	-	10	10	10	30
Airfare Allowance	-	-	-	-	-
Employment taxes	583	1,212	1,249	1,001	4,045
Total	1,666	3,462	3,568	2,859	11,555

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

8. Staff costs (continued)

2019	Francis Grogan	Walter Roodt	Faith Mukutu	Danny Museteka	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Salaries and fees	3,995	1,545	201	1,821	7,562
Bonus	2,959	359	-	240	3,558
Pension contributions	-	10	1	10	21
Airfare Allowance	365	-	-	365	730
Employment taxes	4,236	1,244	100	1,569	7,149
Total	11,555	3,158	302	4,005	19,020

2020	Francis Grogan	Walter Roodt	Faith Mukutu	Danny Museteka	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000 s
Salaries and fees	67	139	143	114	463
Bonus	-	-	-	-	-
Pension contributions	-	1	1	1	3
Airfare Allowance	-	-	-	-	-
Employment taxes	36	75	77	62	250
Total	103	215	221	177	716

2019	Francis Grogan	Walter Roodt	Faith Mukutu	Danny Museteka	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Salaries and fees	324	125	16	148	613
Bonus	240	29	-	19	288
Pension contributions	-	1	-	1	2
Airfare Allowance	30	-	-	30	60
Employment taxes	344	101	8	127	580
Total	938	256	24	325	1,543

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

9. Finance costs

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Interest on bank loans and overdrafts	90,190	5,577	79,296	6,436
Finance lease cost	2,132	132	3,494	284
Total	92,322	5,709	82,790	6,720

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

10. Taxation

The Group has various tax rates applicable on the basis of individual entities being defined as agricultural entities or divisions (income tax rate of 10%) or manufacturing entities or divisions (income tax rate of 35%). The Group has further obtained tax holidays through investment incentives offered by the Zambian Government.

(i) In Zambian Kwacha	2020		2019	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
(a) Tax charge				
Current tax:				
Tax charge	5,172	6,277	9,222	6,803
Deferred tax:				
Deferred taxation (note 10(e))	107,785	34,523	(6,442)	27,388
Tax charge for the year	112,957	40,800	2,780	34,191
(b) Reconciliation of tax charge				
(Loss)/profit before taxation	(22,673)	66,109	38,653	55,795
Taxation on accounting (loss)/profit	(27,631)	7,390	(24,681)	6,805
Effects of:				
Permanent differences:				
Disallowable expenses	27,087	17,612	3,774	533
Timing differences:				
Livestock and crop valuations adjustment	2,328	-	1,924	1,923
Other income	(2,897)	(2,754)	1,342	4
Unrealised exchange losses/(gains)	7,975	8,106	(903)	(834)
Other disallowable items	(1,690)	(24,077)	27,766	(1,628)
Tax charge	5,172	6,277	9,222	6,803
(c) Movement in taxation account				
Taxation recoverable at 1 October	(1,390)	(1,529)	(960)	(2,510)
Charge for the year	5,172	6,278	9,222	6,803
Taxation paid	(5,525)	(5,314)	(9,652)	(5,822)
Taxation recoverable as at 30 September	(1,743)	(565)	(1,390)	(1,529)
Analysed as follows:				
Taxation payable	41	-	1,377	-
Taxation recoverable	(1,784)	(565)	(2,767)	(1,529)
	(1,743)	(565)	(1,390)	(1,529)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

10. Taxation (continued)

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

(e) Deferred taxation

	Group			Company		
	1 October	Recognised in profit or loss	30 September	1 October	Recognised in profit or loss	30 September
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s

Year ended 30 September 2020

Temporary Differences/ Biological Valuation	14,162	4,125	18,287	13,716	1,213	14,929
Property and Equipment	58,464	47,734	106,198	60,872	2,428	63,300
Tax Loss	(111,277)	56,831	(54,446)	(65,175)	32,101	(33,074)
Other Provisions	(8,736)	(905)	(9,641)	(2,783)	(1,219)	(4,002)
Deferred Income Tax Liability	(47,387)	107,785	60,398	6,630	34,523	41,153

Year ended 30 September 2019

Temporary Differences/ Biological Valuation	13,444	718	14,162	13,012	704	13,716
Property and Equipment	38,384	20,080	58,464	32,733	28,139	60,872
Tax Loss	(86,754)	(24,523)	(111,277)	(64,695)	(480)	(65,175)
Other Provisions	(6,019)	(2,717)	(8,736)	(1,808)	(975)	(2,783)
Deferred Income Tax Liability	(40,945)	(6,442)	(47,387)	(20,758)	27,388	6,630

Summary	2020		2019	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Deferred tax asset	(9,552)	-	(56,525)	-
Deferred tax liability	69,950	41,153	9,138	6,630
	60,398	41,153	(47,387)	6,630

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

10. Taxation (continued)

(ii) In US Dollars	2020		2019	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
(a) Tax charge				
Current tax:				
Tax charge	320	388	749	553
Deferred tax:				
Deferred taxation (note 10(e))	6,666	2,135	(523)	2,223
Tax charge for the year	6,986	2,523	226	2,776

(b) Reconciliation of tax charge

	2020		2019	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
(Loss)/profit before taxation	(1,402)	4,088	3,138	4,529
Taxation on accounting (loss)/profit	(1,709)	457	(2,003)	552
Effects of:				
Permanent differences:				
Disallowable expenses	1,675	1,089	306	43
Timing differences:				
Livestock and crop valuations adjustment	144	-	156	156
Other income	(179)	(170)	109	1
Unrealised exchange losses/(gains)	494	501	(73)	(67)
Other disallowable items	(105)	(1,489)	2,254	(132)
Tax charge for the year	320	388	749	553

(c) Movement in taxation account

	2020		2019	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Taxation recoverable at 1 October	(106)	(115)	(78)	(205)
Charge for the year	320	388	749	553
Taxation paid	(342)	(328)	(783)	(473)
Foreign exchange differences	41	27	6	10
Taxation recoverable as at 30 September	(87)	(28)	(106)	(115)
Analysed as follows:				
Taxation payable	2	-	104	-
Taxation recoverable	(89)	(28)	(210)	(115)
	(87)	(28)	(106)	(115)

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

10. Taxation (continued)

(e) Deferred taxation

	Group			Company		
	1 October	Recognised in profit or loss	30 September	1 October	Recognised in profit or loss	30 September
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Year ended 30 September 2020						
Temporary Differences/ Biological Valuation	1,073	(165)	908	1,113	(190)	923
Property and Equipment	4,429	844	5,273	4,941	(1,026)	3,915
Tax Loss	(8,430)	5,727	(2,703)	(5,326)	2,779	(2,547)
Other Provisions	(662)	183	(479)	(226)	(22)	(248)
Deferred Income Tax Liability	-	77	-	-	594	-
	(3,590)	6,666	2,999	502	2,135	2,043
Year ended 30 September 2019						
Temporary Differences/ Biological Valuation	1,098	(25)	1,073	1,312	(199)	1,113
Property and Equipment	3,136	1,293	4,429	3,300	1,641	4,941
Tax Loss	(7,087)	(1,343)	(8,430)	(6,125)	799	(5,326)
Other Provisions	(492)	(170)	(662)	(182)	(44)	(226)
Deferred Income Tax Liability	-	(278)	-	-	26	-
	(3,345)	(523)	(3,590)	(1,695)	2,223	502

Summary	2020		2019	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Deferred tax asset	(474)	-	(4,282)	-
Deferred tax liability	3,473	2,043	692	502
	2,999	2,043	(3,590)	502

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

11. Dividends

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Dividends declared or paid	-	-	-	-

There has been no dividend paid or proposed for 2020 (2019: ZMW nil).

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

12. Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company as the numerator, i.e., no adjustments to profit were necessary in 2019 or 2020. For diluted earnings per share, the number of shares used in the calculation of EPS includes preference shares and outstanding options awarded to management.

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

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

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

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Basic earnings per share				
(Loss)/profit for the year	(103,419)	(6,396)	18,100	1,469
Weighted average number of ordinary shares for the purposes of basic earnings per share.	300,580	300,580	300,580	300,580
Weighted average number of ordinary shares for the purposes of diluted earnings per share.	400,638	400,638	400,638	400,638
	Ngwee	US cents	Ngwee	US cents
Basic earnings per share (ZMW ngwee and US cents) – Continued operations	(45.12)	(2.79)	11.80	0.96
Basic earnings per share (ZMW ngwee and US cents) – Discontinued operations	11.12	0.69	(5.78)	(0.47)
Total Basic earnings per share (ZMW ngwee and US cents)	(34.00)	(2.10)	6.02	0.49
Diluted earnings per share				
Diluted earnings per share – continued operations	(45.12)	(2.79)	8.86	0.72
Diluted earnings per share – discontinued operations	11.12	0.69	(4.34)	(0.35)
Total diluted earnings per share	(34.00)	(2.10)	4.52	0.37

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

13. Goodwill

	ZMW'000s	USD'000s
Cost and Net Book Value		
At 1 October 2018	166,801	13,628
Arising during the year	-	-
Foreign exchange difference	-	(992)
At 30 September 2019	166,801	12,636
Arising during the year	-	-
Foreign exchange difference	-	(4,354)
At 30 September 2020	166,801	8,282

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

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Masterpork Limited	15,699	779	15,699	1,189
Zam Chick Limited	141,786	7,040	141,786	10,741
Zamhatch Limited	9,316	463	9,316	706
	166,801	8,282	166,801	12,636

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

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

The Board's key assumptions are based on their past experience and future expectations of the market over the longer term. The Group's cost of external borrowing adjusted for dividend payment history, currency risk and in accordance with IAS 36 'Impairment of Assets' is 15%. In arriving at the individual segment discount rate, management considered risks that are specific to each unit. The discount rates used in the value in use calculation for Masterpork, Zamchick and Zamhatch are 17%, 15.5% and 15% respectively.

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

13. Goodwill (continued)

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

Recoverable amount of each operating unit is as follows:

	2020	2020	2019	2019
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Masterpork	125,313	6,222	106,687	8,082
Zamchick	489,678	24,314	602,360	45,633
Zamhatch	1,171,154	58,151	1,942,175	147,135
Total	1,786,145	88,687	2,651,222	200,850

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

14. Property, plant and equipment

(i) In Zambian Kwacha

(a) Group	Land and buildings	Aircraft	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
	ZMW'000s		ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Cost or valuation							
As at 1 October 2018	2,052,628	865	815,646	65,605	23,307	46,102	3,004,153
Exchange differences	71,470	-	20,871	(194)	61	110	92,318
Additions	13,868	-	15,621	7,399	4,948	71,989	113,825
Disposals	(2,030)	-	(7,108)	(2,505)	(280)	-	(11,923)
Transfer to held for sale	(116,020)	-	(27,547)	(876)	(420)	(698)	(145,561)
Transfers	23,136	-	57,482	7,099	4,001	(91,718)	-
As at 30 September 2019	2,043,052	865	874,965	76,528	31,617	25,785	3,052,812
Exchange differences	516,215	-	128,710	1,369	820	-	647,114
Additions	7,938	-	27,071	10,079	4,551	43,025	92,664
Adjustment for transition to IFRS16	15,425	-	-	-	-	-	15,425
Disposals	(1,153)	-	(4,875)	(3,203)	(55)	(4,102)	(13,388)
Transfer to held for sale	(146,063)	-	(48,406)	(787)	(387)	-	(195,643)
Transfers	11,499	-	28,720	11,406	2,061	(53,686)	-
As at 30 September 2020	2,446,913	865	1,006,185	95,392	38,607	11,022	3,598,984

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2020

14. Property, plant and equipment (continued)

(a) Group (continued)	Land and buildings	Aircraft	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Depreciation							
As at 1 October 2018	16,972	86	66,820	15,457	2,597	-	101,932
Exchange difference	539	-	(2,044)	3	(26)	-	(1,528)
Charge for the year	18,232	87	83,340	17,459	2,803	-	121,921
Disposals	(77)	-	(222)	(814)	(20)	-	(1,133)
Transfer to held for sale	(4,630)	-	(5,255)	(246)	(73)	-	(10,204)
As at 30 September 2019	31,036	173	142,639	31,859	5,281	-	210,988
Exchange difference	(728)	-	(1,897)	(982)	(543)	-	(4,150)
Charge for the year	19,304	86	95,912	21,893	4,213	-	141,408
Charge on right of use assets	8,362	-	-	-	-	-	8,362
Disposals	-	-	(598)	(1,536)	(6)	-	(2,140)
Transfer to held for sale	(5,044)	-	(14,507)	(329)	(109)	-	(19,989)
As at 30 September 2020	52,930	259	221,549	50,905	8,836	-	334,479
Net book value							
At 30 September 2020	2,393,983	606	784,636	44,487	29,771	11,022	3,264,505
At 30 September 2019	2,012,016	692	732,326	44,669	26,336	25,785	2,841,824

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

	Land and buildings	Plant and machinery	Motor vehicles	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Gross carrying amount				
At 1 October 2019	-	54,801	1,560	56,361
Adjustment on transition to IFRS 16	15,425	-	-	15,425
Additions	-	-	4,020	4,020
Disposals	-	-	-	-
At 30 September 2020	15,425	54,801	5,580	75,806
Depreciation and impairment				
At 1 October 2019	-	8,519	366	8,885
Disposals	-	-	-	-
Depreciation	8,362	6,410	963	15,735
At 30 September 2020	8,362	14,929	1,329	24,620
Carrying amount 30 September 2020	7,063	39,872	4,251	51,186

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

14. Property, plant and equipment (continued)

(ii) In US Dollars

(a) Group	Land and buildings	Aircraft	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Cost or valuation							
As at 1 October 2018	168,428	71	67,332	5,411	1,934	1,869	245,045
Foreign translation	(7,701)	(5)	(4,317)	(521)	(210)	1,739	(11,015)
Additions	1,126	-	1,267	601	402	5,843	9,239
Transfer to held for sale	(8,789)	-	(2,087)	(66)	(32)	(53)	(11,027)
Transfers	1,878	-	4,666	576	325	(7,445)	-
Disposals	(165)	-	(577)	(203)	(23)	-	(968)
As at 30 September 2019	154,777	66	66,284	5,798	2,396	1,953	231,274
Foreign translation	(26,534)	(23)	(16,480)	(2,144)	(861)	(104)	(46,146)
Additions	491	-	1,674	623	281	2,661	5,730
Adjustment for transition to IFRS16	954	-	-	-	-	-	954
Transfers	711	-	1,776	705	128	(3,320)	-
Disposals	(71)	-	(301)	(198)	(3)	(254)	(827)
Transfer to held for sale	(9,033)	-	(2,994)	(49)	(23)	-	(12,099)
As at 30 September 2020	121,295	43	49,959	4,735	1,918	936	178,886
Depreciation							
As at 1 October 2019	(4,986)	7	10,895	1,649	370	-	7,935
Charge for the year	1,480	7	6,764	1,417	228	-	9,896
Disposals	(6)	-	(18)	(66)	(2)	-	(92)
Transfer to held for sale	(351)	-	(397)	(19)	(6)	-	(773)
Foreign Translation	6,214	(1)	(6,437)	(568)	(190)	-	(982)
As at 30 September 2019	2,351	13	10,807	2,413	400	-	15,984
Charge for the year	1,194	5	5,931	1,354	261	-	8,745
Charge on right of use assets	517	-	-	-	-	-	517
Disposals	-	-	(37)	(95)	-	-	(132)
Transfer to held for sale	(312)	-	(897)	(20)	(7)	-	(1,236)
Foreign Translation	(1,020)	(5)	(4,623)	(1,219)	(216)	-	(7,083)
As at 30 September 2020	2,730	13	11,181	2,433	438	-	16,795
Net book value							
At 30 September 2020	118,565	30	38,778	2,302	1,480	936	162,091
At 30 September 2019	152,426	53	55,477	3,385	1,996	1,953	215,290

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

14. Property, plant and equipment (continued)

- (a) The Group's property, plant and equipment situated in Zambia were revalued as at 30 September 2017 by Messrs Fairworld Properties Limited, Registered Valuation Surveyors, on the basis of market value. The surplus on valuation totalling ZMW790 million (USD82 million) was transferred to a revaluation reserve.
- (b) The depreciation charge for the year includes ZMW31.3 million (USD1.9 million) (2019: ZMW29.7 million [USD2.4 million]) which relates to the surplus over the original cost of fixed assets shown at a valuation. As this amount should not be taken to reduce the Group's distributable reserve, an equivalent amount has been transferred to distributable reserve from revaluation reserve.
- (c) The capital work in progress depicts all capital expenditure items on projects that are yet to be completed.
- (d) In the opinion of the Directors, the carrying values of property, plant and equipment stated above are not higher than their fair values.
- (e) If the cost model had been used, the carrying amounts of the property plant and equipment would be ZMW2,096,592 thousand (2019: ZMW1,642,766 thousand). The revalued amounts include a revaluation surplus of ZMW1,167,913 thousand before tax (2019: ZMW1,199,058 thousand), which is not available for distribution to the shareholders of Zambeef Products PLC.
- (f) Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Land and buildings	Plant and machinery	Motor vehicles	Total
	USD'000s	USD'000s	USD'000s	USD'000s
Gross carrying amount				
At 1 October 2019	-	4,152	118	4,270
Adjustment on transition to IFRS 16	953	-	-	953
Additions	-	-	249	249
Exchange differences	(188)	(1,430)	(90)	(1,708)
At 30 September 2020	765	2,722	277	3,764
Depreciation and impairment				
At 1 October 2019	-	646	28	674
Exchange differences	(102)	(300)	(21)	(423)
Depreciation	517	396	60	973
At 30 September 2020	415	742	67	1,224
Carrying amount 30 September 2020	350	1,980	210	2,540

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

14. Property, plant and equipment (continued)

(i) In Zambian Kwacha

(b) Company	Land and buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Capital work in progress	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Cost or valuation						
At 1 October 2018	1,629,373	511,443	23,974	12,687	38,440	2,215,917
Exchange differences	70,294	20,195	249	154	-	90,892
Additions	2,121	2,264	1,766	1,032	16,560	23,743
Assets held for sale	(116,020)	(27,547)	(876)	(420)	(698)	(145,561)
Disposals	(1,675)	(1,160)	(421)	(118)	-	(3,374)
Transfers	3,107	23,238	1,984	2,796	(31,125)	-
As at 30 September 2019	1,587,200	528,433	26,676	16,131	23,177	2,181,617
Exchange differences	510,532	129,184	1,804	934	-	642,454
Additions	4,926	17,404	3,238	2,304	7,513	35,385
Transfers	17,291	4,482	-	607	(22,380)	-
Disposals	(1,153)	(3,653)	(1,936)	(55)	(34)	(6,831)
Transfer to held for sale	(146,063)	(48,406)	(787)	(387)	-	(195,643)
As at 30 September 2020	1,972,733	627,444	28,995	19,534	8,276	2,656,982
Depreciation						
As at 1 October 2018	10,564	45,307	4,122	1,102	-	61,095
Assets held for sale	(4,630)	(5,255)	(246)	(73)	-	(10,204)
Charge for the year	11,003	53,302	5,299	1,445	-	71,049
Disposals	(66)	(223)	(125)	(19)	-	(433)
As at 30 September 2019	16,871	93,131	9,050	2,455	-	121,507
Charge for the year	9,364	63,374	5,921	1,803	-	80,462
Disposals	-	(529)	(857)	(6)	-	(1,392)
Assets held for sale	(5,044)	(14,507)	(329)	(109)	-	(19,989)
As at 30 September 2020	21,191	141,469	13,785	4,143	-	180,588
Net book value						
At 30 September 2020	1,951,542	485,975	15,210	15,391	8,276	2,476,394
At 30 September 2019	1,570,329	435,302	17,626	13,676	23,177	2,060,110

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

14. Property, plant and equipment (continued)

(ii) In US Dollars

(b) Company	Land and buildings USD'000s	Plant and machinery USD'000s	Motor vehicles USD'000s	Furniture and equipment USD'000s	Capital work in progress USD'000s	Total USD'000s
Cost or valuation						
As at 1 October 2018	133,119	41,703	2,027	1,037	3,140	181,026
Exchange differences	5,706	1,639	20	12	-	7,377
Additions	172	184	143	84	1,344	1,927
Assets held for sale	(8,789)	(2,087)	(66)	(32)	(53)	(11,027)
Transfers	252	1,886	161	227	(2,526)	-
Disposals	(136)	(94)	(34)	(10)	-	(274)
Foreign translation	(10,081)	(3,198)	(230)	(97)	(149)	(13,755)
As at 30 September 2019	120,243	40,033	2,021	1,221	1,756	165,274
Exchange differences	31,573	7,989	112	58	-	39,732
Additions	305	1,076	200	142	465	2,188
Transfers	1,069	277	-	38	(1,384)	-
Disposals	(71)	(226)	(120)	(3)	(2)	(422)
Assets held for sale	(7,252)	(2,403)	(39)	(19)	-	(9,713)
Foreign translation	(47,916)	(15,592)	(734)	(467)	(424)	(65,133)
As at 30 September 2020	97,951	31,154	1,440	970	411	131,926
Depreciation						
As at 1 October 2018	863	3,689	336	90	-	4,978
Charge for the year	893	4,326	430	118	-	5,767
Assets held for sale	(351)	(397)	(19)	(6)	-	(773)
Disposals	(5)	(18)	(10)	(2)	-	(35)
Foreign translation	(122)	(544)	(52)	(14)	-	(732)
As at 30 September 2019	1,278	7,056	685	186	-	9,205
Charge for the year	579	3,919	366	112	-	4,976
Disposals	-	(33)	(53)	-	-	(86)
Transfer to held for sale	(250)	(720)	(16)	(5)	-	(991)
Foreign translation	(555)	(3,198)	(297)	(87)	-	(4,137)
As at 30 September 2020	1,052	7,024	685	206	-	8,967
Net book value						
At 30 September 2020	96,899	24,130	755	764	411	122,959
At 30 September 2019	118,965	32,977	1,336	1,035	1,756	156,069

- (a) The Company's property, plant and equipment situated in Zambia were revalued as at 30 September 2017 by Messrs Fairworld Properties Limited, Registered Valuation Surveyors, on the basis of market value. The surplus on valuation totalling ZMW651 million (USD54.1 million) was transferred to a revaluation reserve.
- (b) In the opinion of the Directors, the carrying values of property, plant and equipment stated above are not higher than their fair values.
- (c) If the cost model had been used, the carrying amounts of the property plant and equipment would be ZMW1,614,242 thousand (2019: ZMW1,169,775 thousand). The revalued amounts include a revaluation surplus of ZMW828,538 thousand before tax (2019: ZMW862,152 thousand), which is not available for distribution to the shareholders of Zambeef Products PLC.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

15. Investments in subsidiaries, associates and minority interests

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

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

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

	2020		2019	
(b) Movement at cost:	ZMW'000s	USD'000s	ZMW'000s	USD'000s
At beginning of the year	245,807	18,622	245,807	20,082
Foreign translation	-	(6,417)	-	(1,460)
At end of the year	245,807	12,205	245,807	18,622

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

15. Investments in subsidiaries and associates (continued)

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

Name of company	Country of Incorporation	Assets ZMW'000s	Liabilities ZMW'000s	Revenues ZMW'000s	Profit/(loss) ZMW'000s
Zambeef Retailing Limited	Zambia	1,158,827	1,399,097	2,149,113	(171,151)
Zamleather Limited	Zambia	101,258	76,548	29,950	(2,665)
West Africa Operations	Nigeria & Ghana	73,344	73,545	218,759	7,595
Masterpork Limited	Zambia	253,585	167,145	290,584	(4,069)
Zam Chick Limited	Zambia	1,079,335	851,278	300,668	1,189
Zamhatch Limited	Zambia	811,454	539,538	591,707	40,384
Total at the end of 30 September 2020		3,477,803	3,107,151	3,580,781	(128,717)
Zambeef Retailing Limited	Zambia	899,371	983,478	1,853,720	(53,340)
Zamleather Limited	Zambia	91,242	63,868	26,828	(6,453)
West Africa Operations	Nigeria & Ghana	21,158	68,093	184,954	2,592
Masterpork Limited	Zambia	234,170	142,910	252,952	(49)
Zam Chick Limited	Zambia	854,449	633,437	247,580	23,030
Zamhatch Limited	Zambia	654,402	444,883	420,633	57,319
Total at the end of 30 September 2019		2,754,792	2,336,669	2,986,667	23,099

Name of company	Country of Incorporation	Assets USD'000s	Liabilities USD'000s	Revenues USD'000s	Profit/(loss) USD'000s
Zambeef Retailing Limited	Zambia	57,539	69,469	132,907	(10,584)
Zamleather Limited	Zambia	5,028	3,801	1,852	(165)
West Africa Operations	Nigeria & Ghana	3,642	3,652	13,529	470
Masterpork Limited	Zambia	12,607	8,299	17,977	(252)
Zam Chick Limited	Zambia	53,592	42,268	18,594	74
Zamhatch Limited	Zambia	40,291	26,789	36,593	2,497
Total at the end of 30 September 2020		172,699	154,278	221,452	(7,960)
Zambeef Retailing Limited	Zambia	68,134	73,543	150,464	(4,330)
Zamleather Limited	Zambia	6,912	4,838	2,178	(524)
West Africa Operations	Nigeria & Ghana	1,603	5,158	15,013	210
Masterpork Limited	Zambia	17,740	10,827	20,532	(4)
Zam Chick Limited	Zambia	64,731	47,988	20,096	1,869
Zamhatch Limited	Zambia	49,576	26,494	34,142	4,653
Total at the end of 30 September 2019		208,696	168,848	242,425	1,874

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

15. Investments in subsidiaries and associates (continued)

Name of company	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Zambeef Retailing Limited	31	2	31	2
Zamleather Limited	1,477	73	1,477	112
Master Meat and Agro Production Co of Nigeria Limited	216	10	216	16
Master Meat (Ghana) Limited	1,310	64	1,310	99
Masterpork Limited	26,601	1,321	26,601	2,015
Zam Chick Limited	158,230	7,858	158,230	11,988
Zamhatch Limited	57,942	2,877	57,942	4,390
	245,807	12,205	245,807	18,622

(d) In the opinion of the Directors, the value of the company's interests in the subsidiary companies is not less than the amounts at which they are stated in these financial statements.

(e) As at the reporting date, the Group has a 10% equity interest in Zampalm Limited. The company has significant influence over Zampalm Limited in that, it has representation on the Board of Directors, participates in policy making decisions and provides essential farming technical information. The company had a management contract which expired in September 2020 and was responsible for day to day management of Zampalm Limited. The investment is accounted for using the equity method.

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

The summarised financial information for Zampalm Limited is as below;

	2020		2019	
	ZMW'000s	USD'000's	ZMW'000s	USD'000s
Revenue	3,868	239	1,339	109
Gross Loss	(1,625)	(100)	(10,674)	(866)
Loss before tax	(31,770)	(1,965)	(30,356)	(2,464)
Non-current assets	273,811	13,595	270,301	20,477
Current assets	6,625	329	8,040	609
Total assets	280,436	13,924	278,341	21,086
Capital and reserves	106,846	5,305	138,616	10,501
Current liabilities	173,590	8,619	139,725	10,585
Total equity and liabilities	280,436	13,924	278,341	21,086

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

	2020		2019	
	ZMW'000s	USD'000's	ZMW'000	USD'000
Opening balance	12,376	938	15,412	1,259
Arising during the year	34,627	2,141	-	-
Loss from continuing operation	(3,177)	(196)	(3,036)	(246)
Foreign exchange difference	-	(707)	-	(75)
Total comprehensive income	31,450	1,238	(3,036)	(321)
Carrying amount of the Group's interest	43,826	2,176	12,376	938

(i) There was no cash movement during the year. The movement shown above relates to a balance that was owed by the associate which was converted to equity during the year.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

16. (a) Biological assets – Group

Biological assets comprise standing crops, feedlot cattle, dairy cattle, pigs and chickens. At 30 September 2020 there were 349 hectares of standing crops, 9,774 cattle (6,697 feedlot cattle and 3,077 dairy cattle) and 731,710 chickens (106,555 breeding, 425,824 layers and 199,331 broilers), and 3,521 pigs. A total of 40,410 feedlot cattle, 771 dairy cattle, 8,568 pigs and 7,809,410 chickens were culled during the year.

(i) Zambian Kwacha			Gains/ (losses) arising from fair value attributable to physical changes	Gains/ (losses) arising from fair value attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 30 September
	As at 1 October	Increase due to purchases				
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Standing Crops	27,260	341,400	401,948	(34,956)	(719,026)	16,626
Feedlot Cattle	42,878	229,142	34,900	6,838	(273,106)	40,652
Dairy Cattle	49,767	76,917	(7,698)	12,654	(69,260)	62,380
Pigs	4,555	12,197	1,316	1,083	(15,031)	4,120
Chickens	45,957	393,865	93,895	-	(481,190)	52,527
Total	170,417	1,053,521	524,361	(14,381)	(1,557,613)	176,305

(ii) In US Dollars			Increase due to purchases	Gains/ (losses) arising from fair value attributable to physical changes	Gains arising from fair value attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 30 September
	As at 1 October	Foreign exchange					
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Standing Crops	2,066	(583)	21,113	24,859	(2,162)	(44,467)	826
Feedlot Cattle	3,247	(1,091)	14,171	2,158	423	(16,890)	2,018
Dairy Cattle	3,771	(1,454)	4,757	(476)	783	(4,283)	3,098
Pigs	344	(113)	754	81	67	(930)	203
Chickens	3,482	(1,280)	24,358	5,807	-	(29,758)	2,609
Total	12,910	(4,521)	65,153	32,429	(889)	(96,328)	8,754

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

16. (b) Biological assets – Company

Biological assets comprise standing crops, feedlot cattle, dairy cattle, and chickens. At 30 September 2020 there were 349 hectares of standing crops, 9,774 cattle (6,697 feedlot cattle and 3,077 dairy cattle), and 304,536 chickens. A total of 40,410 feedlot cattle, 771 dairy cattle and 267,920 chickens were culled during the year.

(i) Zambian Kwacha						
	As at 1 October	Increase due to purchases	Gains/(losses) arising from fair value attributable to physical changes	Gains/(losses) arising from fair value attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 30 September
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Standing Crops	27,260	341,400	401,948	(34,956)	(719,026)	16,626
Feedlot Cattle	42,878	229,142	34,900	6,838	(273,106)	40,652
Dairy Cattle	49,767	76,917	(7,698)	12,654	(69,260)	62,380
Chickens	17,310	61,919	(6,698)	-	(52,688)	19,843
Total	137,215	709,378	422,452	(15,464)	(1,114,080)	139,501

(ii) In US Dollars							
	As at 1 October	Foreign exchange	Increase due to purchases	Gains/(losses) arising from fair value attributable to physical changes	Gains/(losses) arising from fair value attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 30 September
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Standing Crops	2,066	(583)	21,113	24,858	(2,162)	(44,467)	825
Feedlot Cattle	3,247	(1,091)	14,171	2,158	423	(16,890)	2,018
Dairy Cattle	3,771	(1,454)	4,757	(476)	783	(4,283)	3,098
Chickens	1,311	(482)	3,829	(414)	-	(3,258)	986
Total	10,395	(3,610)	43,870	26,126	(956)	(68,898)	6,927

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

17. Inventories

	2020		2019	
(i) In Zambian Kwacha	Group	Company ZMW'000s	Group ZMW'000s	Company ZMW'000s
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Trading stocks	595,376	516,046	406,602	345,724
Abattoir stocks	1,817	1,817	580	-
Raw materials	325,242	187,028	228,885	-
Stock feed	23,930	8,364	139,018	220,250
Consumables	151,290	100,826	163,167	117,626
Raw hides and chemicals	5,985	-	2,907	-
	1,103,640	814,081	941,159	683,600

	2020		2019	
(ii) In US Dollars	Group	Company USD'000s	Group USD'000s	Company USD'000s
	USD'000s	USD'000s	USD'000s	USD'000s
Trading stocks	29,562	25,623	30,803	26,192
Abattoir stocks	90	90	44	-
Raw materials	16,149	9,287	17,340	-
Stock feed	1,188	415	10,532	16,685
Consumables	7,512	5,006	12,361	8,911
Raw hides and chemicals	297	-	220	-
	54,798	40,421	71,300	51,788

A total of ZMW2,645.6 million (USD163.5 million) (2019: ZMW2,063.7 million (USD167.5 million)) was included in profit and loss as an expense within cost of sales. Inventory was turned every 152 days (2019: 127 days).

Biological assets totalling ZMW1,557.6 million (USD96.3 million) (2019: ZMW1,707.4 million [USD138.6 million]) were transferred to inventories during the year.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

18. Trade and other receivables

	2020		2019	
(i) In Zambian Kwacha	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Gross trade receivables	85,386	37,518	55,758	18,820
Less: allowance for expected credit losses	(5,075)	(1,516)	(4,910)	(1,913)
Trade receivables	80,311	36,002	50,848	16,907
Prepayments	25,295	18,335	18,024	11,246
Other receivables	32,710	-	29,153	-
Less: other provisions	(5,648)	(3,782)	-	-
	132,668	50,555	98,025	28,153

	2020		2019	
(ii) In US Dollars	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Gross trade receivables	4,240	1,863	4,224	1,426
Less: allowance for expected credit losses	(252)	(75)	(372)	(145)
Trade receivables	3,988	1,788	3,852	1,281
Prepayments	1,256	910	1,364	852
Other receivables	1,623	-	2,210	-
Less: other provisions	(280)	(188)	-	-
	6,587	2,510	7,426	2,133

(a) Allowance for credit losses

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

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

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

Note 29(b) includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. Both the current and comparative impairment provisions apply the IFRS 9 expected loss model.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

18. Trade and other receivables (continued)

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

	2020		2019	
(i) In Zambian Kwacha	Group ZMW'000s	Company ZMW'000s	Group ZMW'000s	Company ZMW'000s
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
At 1 October	4,910	1,913	4,822	1,331
Utilised	(1,167)	(552)	(1,113)	(70)
Charge for the year	6,980	3,937	1,201	652
At 30 September	10,723	5,298	4,910	1,913
Analysed as follows:				
Expected credit losses	5,075	1,516	4,910	1,913
Other provisions	5,648	3,782	-	-
Total	10,723	5,298	4,910	1,913

	2020		2019	
(ii) In US Dollars	Group USD'000s	Company USD'000s	Group USD'000s	Company USD'000s
	USD'000s	USD'000s	USD'000s	USD'000s
At 1 October	372	145	394	109
Foreign exchange	(200)	(91)	(29)	(11)
Utilised	(72)	(34)	(90)	(6)
Charge for the year	432	243	97	53
At 30 September	532	263	372	145
Analysed as follows:				
Expected credit losses	252	75	372	145
Other provisions	280	188	-	-
Total	532	263	372	145

Trade receivables have a 15 or 30 day credit period.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

18. Trade and other receivables (continued)

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

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

30 September 2019		Trade receivables days past due			
	Current	More than	More than	More than	Total
		30 days	60 days	90 days	
Expected credit loss rate	2.5%	4.7%	17.1%	60.1%	
Gross carrying amount - ZMW'000	45,718	774	4,268	4,998	55,758
Lifetime expected credit loss - ZMW'000	1,137	36	731	3,006	4,910

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

30 September 2019		Trade receivables days past due			
	Current	More than	More than	More than	Total
		30 days	60 days	90 days	
Expected credit loss rate	2.5%	4.7%	17.1%	60.1%	
Gross carrying amount - USD'000	3,463	59	323	379	4,224
Lifetime expected credit loss - USD'000	86	3	55	228	372

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

19. Amounts due from related companies

	2020		2019	
(i) In Zambian Kwacha	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Chisamba Ranching and Cropping	4,185	-	258	601
Danny Museteka	-	-	70	70
Tractorzam Limited	-	-	-	-
Tembilo Farms Limited	459	-	59	-
Wellspring Limited	-	-	5,624	5,624
Lillian Limbuka	1,049	-	508	-
Zamleather Limited	-	47,704	-	40,154
Zampalm Limited	3,644	3,229	35,035	20,184
Master Meat & Agro Production Co. of Nigeria Limited	-	59,974	-	60,977
Zam Chick Limited	-	704,526	-	534,335
Master Meat (Ghana) Limited	-	3,318	-	2,728
Zamhatch Limited	-	501,366	-	414,072
	9,337	1,320,117	41,554	1,078,745

	2020		2019	
(ii) In US Dollars	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Chisamba Ranching and Cropping	208	-	20	45
Tractorzam Limited	-	-	-	-
Danny Museteka	-	-	5	5
Tembilo Farms Limited	23	-	4	-
Wellspring Limited	-	-	427	427
Lilian Limbuka	52	-	38	-
Zamleather Limited	-	2,369	-	3,042
Zampalm Limited	181	160	2,654	1,529
Zam Chick Limited	-	34,981	-	40,479
Mastermeat & Agro Production Co. of Nigeria Limited	-	2,978	-	4,619
Master Meat (Ghana) Limited	-	165	-	207
Zamhatch Limited	-	24,894	-	31,369
	464	65,547	3,148	81,722

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

20. Cash and cash equivalents

	2020		2019	
(i) In Zambian Kwacha	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Cash in hand and at bank	111,136	12,645	56,753	11,844
Bank overdrafts (note (b))	(348,045)	(170,822)	(331,178)	(207,616)
	(236,909)	(158,177)	(274,425)	(195,772)

	2020		2019	
(ii) In US Dollars	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Cash in hand and at bank	5,518	628	4,299	897
Bank overdrafts (note (b))	(17,281)	(8,482)	(25,089)	(15,728)
	(11,763)	(7,854)	(20,790)	(14,831)

(a) Banking facilities

The Group has overdraft facilities totalling ZMW193.3 million (2019: ZMW118.3 million) with Zanaco Bank Plc. The Zanaco Bank overdraft bears an interest rate of Bank of Zambia Policy rate plus 8 per cent. on the Kwacha facility.

The Group has overdraft facilities totalling ZMW74.6 million (2019: ZMW74.6 million) and USD5 million (2019: USD5 million) with Citibank Zambia Limited. The Citibank overdrafts bear interest rates of Bank of Zambia Policy rate (BPR) plus 0.25% plus Liquidity Premium (182 day Treasury bill rate minus BPR) on the Kwacha facility and 3 month USD LIBOR rate plus 3.5 per cent. on the USD facility. During 2019 the Group obtained an additional headroom overdraft facility totalling USD2.3 million with Citibank Zambia Limited which bears an interest rate of 3 month USD LIBOR rate plus 5 per cent which was discharged in April 2020.

The Group has overdraft facilities totalling ZMW57.5 million (2019: ZMW57.5 million) and USD2 million (2019: USD2 million) with Stanbic Bank Zambia Limited. The Stanbic Bank overdrafts bear interest rate of Bank of Zambia Policy rate plus 6 per cent. on the Kwacha facility and 3 month USD LIBOR rate plus 4 per cent. on the USD facility.

The Group has overdraft facilities totalling ZMW42 million (2019: ZMW30 million) and USD3 million (2019: USD2 million) with Standard Chartered Bank Zambia Plc. The Standard Chartered Bank overdrafts bear interest rates of Bank of Zambia Policy rate plus 6 per cent. on the Kwacha facilities and 1 month USD LIBOR rate plus 4 per cent. on the USD facilities.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

20. Cash and cash equivalents (continued)

(b) Bank overdrafts

	2020		2019	
(i) In Zambian Kwacha	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Bank overdrafts represented by:				
Zanaco Bank Plc	(145,387)	(2)	(114,029)	-
Citibank Zambia Limited	(101,446)	(69,615)	(119,071)	(109,538)
Stanbic Bank Zambia Limited	(49,805)	(49,805)	(69,060)	(69,060)
Standard Chartered Bank Zambia Plc	(51,407)	(51,400)	(29,018)	(29,018)
	(348,045)	(170,822)	(331,178)	(207,616)

	2020		2019	
(ii) In US Dollars	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Bank overdrafts represented by:				
Zanaco Bank Plc	(7,219)	(1)	(8,638)	-
Citibank Zambia Limited	(5,037)	(3,456)	(9,021)	(8,298)
Stanbic Bank Zambia Limited	(2,473)	(2,473)	(5,232)	(5,232)
Standard Chartered Bank Zambia Plc	(2,552)	(2,552)	(2,198)	(2,198)
	(17,281)	(8,482)	(25,089)	(15,728)

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

All overdrafts are annual revolving facilities.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

21. Share capital

(a) Ordinary share capital

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Authorised				
700,000,000 ordinary shares of ZMW0.01 each	7,000	938	7,000	938
(2019: 700,000,000 ordinary shares of ZMW0.01 each)				
Issued and fully paid				
At 1 October	3,006	449	3,006	449
Issued during the year	-	-	-	-
At 30 September	-	-	-	-
300,579,630 ordinary shares of ZMW0.01 each	3,006	449	3,006	449
(2019: 300,579,630 ordinary shares of ZMW0.01 each)				

(b) Preference share capital

Issued and fully paid				
At 1 October	1,000	100	1,000	100
Issued during the year	-	-	-	-
At 30 September	-	-	-	-
100,057,658 preference shares of ZMW0.01 each	1,000	100	1,000	100
(2019: 100,057,658 preference shares of ZMW0.01 each)				

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

22. Share premium

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
At 1 October	1,125,012	185,095	1,125,012	185,095
Arising during the year	-	-	-	-
At 30 September	1,125,012	185,095	1,125,012	185,095

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

23. Interest bearing liabilities

	2020		2019	
	Group	Company	Group	Company
(i) In Zambian Kwacha	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH (note (a))	222,547	222,547	197,604	197,604
Zanaco Bank Plc (note (b))	6,646	6,646	13,286	13,286
Standard Chartered Bank Zambia Plc (note (c))	149,877	149,877	212,381	212,381
IFC – International Finance Corporation (note (d))	109,047	109,047	118,870	118,870
Stanbic Bank Zambia Limited (note (e))	29,000	29,000	29,000	29,000
	517,117	517,117	571,141	571,141
Less: Short term portion (repayable within next 12 months)	(326,899)	(326,899)	(343,042)	(343,042)
Long term portion (repayable after 12 months)	190,218	190,218	228,099	228,099

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

23. Interest bearing liabilities

	2020		2019	
(ii) In US Dollars	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH (note (a))	11,050	11,050	14,970	14,970
Zanaco Bank Plc (note (b))	330	330	1,006	1,006
Standard Chartered Bank Zambia Plc (note (c))	7,442	7,442	16,089	16,089
IFC – International Finance Corporation (note (d))	5,414	5,414	9,006	9,006
Stanbic Bank Zambia Limited (note (e))	1,440	1,440	2,197	2,197
	25,676	25,676	43,268	43,268
Less: Short term portion (repayable within next 12 months)	(16,231)	(16,231)	(25,988)	(25,988)
Long term portion (repayable after 12 months)	9,445	9,445	17,280	17,280

- (a) (i) DEG Term Loan 3
The Group has a loan facility of USD3.55 million (2019: USD4.97 million and original amount of USD10 million) from DEG. Interest on the loan is 4.25 per cent. above the 6 month USD LIBOR rate per annum payable 6 monthly in arrears. The capital is repayable in 14 biannual instalments of USD710,000 commencing May 2016 and expiring in November 2022.

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

- (ii) DEG Term Loan 4
The Group has a loan facility of USD7.5 million (2019: USD10 million and the original amount of USD15 million) from DEG. Interest on the loan is 5.75 per cent. above the 6 month USD LIBOR rate per annum payable quarterly in arrears. The capital is repayable in 12 quarterly instalments of USD1,250,000 commencing March 2018 and expiring in September 2023.

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

- (b) Zanaco Bank Plc
The Group has a loan facility of ZMW6.65 million (2018: ZMW13.3 million and original amount of ZMW46.5 million) with Zanaco Bank Plc. Interest on the loan is 4.5 per cent. above the Bank of Zambia policy rate per annum payable monthly in arrears. The principal is repayable in 7 annual instalments of ZMW6,642,857 commencing December 2014 and expiring in December 2020.

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

- (c) Standard Chartered Bank Zambia PLC
The Group has a structured agricultural facility with an annual revolving limit totalling USD18 million (2019 – USD20 million) with Standard Chartered Bank Zambia PLC. The purpose of the facility is the financing of wheat, soya beans and maize under collateral management agreements and is for 270 days. The balance on the facilities at year end was USD7.4 million (2019: USD16.1 million). Interest on the facility is 3 month USD LIBOR plus 3.25 per cent. per annum calculated on the daily overdrawn balances.

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

23. Interest bearing liabilities (continued)

(d) International Finance Corporation Loan 2

The Group has a loan facility of USD4.8 million and ZMW11.98 million (2019: USD7.6 million and ZMW18.8 million and original amount of USD20 million and ZMW49.6 million). Interest on the loan is 4.75 per cent. above the 6 month USD LIBOR rate per annum for the USD facility and 4.45 per cent. above the 91 day Treasury Bill rate plus a variable swap margin for the Kwacha facility payable quarterly in arrears. The principal is repayable in 29 equal quarterly instalments of USD689,655 and ZMW1,710,345 commencing June 2015 and expiring in June 2022.

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

(e) Stanbic Bank Zambia Limited

In the year ended 30 September 2019, the Group obtained a seasonal loan facility with an annual revolving limit totalling ZMW29 million from Stanbic Bank Zambia Limited. The balance on the facility at year end was ZMW29 million (2019: ZMW29 million). Interest on the facility is 6.0 per cent. above the Bank of Zambia policy rate per annum payable monthly in arrears.

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

24. Leases

In Zambian Kwacha	2020		2019	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Current	23,259	14,461	21,487	18,266
Non-current	19,750	8,172	19,297	11,505
	43,009	22,633	40,784	29,771

(ii) In US Dollar	2020		2019	
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Current	1,155	718	1,628	1,384
Non-current	981	406	1,462	872
	2,136	1,124	3,090	2,256

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

24. Leases (continued)

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

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

The Group has leases for K43,009 thousand. The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 September 2020 were as follows:

Minimum lease payments due							
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
30 September 2020							
Lease payments	7,567	10,652	-	-	-	-	18,219
Finance charges	(413)	(111)	-	-	-	-	(524)
Net present values	7,154	10,541	-	-	-	-	17,695
30 September 2019							
Lease payments	8,244	18,048	-	-	-	-	26,292
Finance charges	(888)	(1,903)	-	-	-	-	(2,791)
Net present values	7,356	16,145	-	-	-	-	23,501

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

24. Leases (continued)

Leasing	30 September 2020	30 September 2019
	USD'000s	USD'000s
Current	443	614
Non-Current	652	1,347
Total	1,095	1,961

Minimum lease payments

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5years	After 5 years	Total
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
30 September 2020							
Lease payments	468	659	-	-	-	-	1,127
Finance charges	(25)	(7)	-	-	-	-	(32)
Net Present Values	443	652	-	-	-	-	1,095
30 September 2019							
Lease payments	669	1,465	-	-	-	-	2,134
Finance charges	(55)	(118)	-	-	-	-	(173)
Net Present Values	614	1,347	-	-	-	-	1,961

Lease payments not recognised as a liability

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

24. Leases (continued)

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

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

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

At 30 September 2020 the Group was committed to short-term leases and the total commitment at that date was ZMW719,364 (USD 35,718).

25. Deferred liability

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

	2020		2019	
(i) In Zambian Kwacha	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
At 1 October	16,362	3,655	22,611	5,059
(Movements)/provision during the year	(3,185)	312	(4,673)	(836)
Payments made during the year	(1,788)	(611)	(1,576)	(568)
At 30 September	11,389	3,356	16,362	3,655

The company engaged a professional actuary, Quantum Consultants & Actuaries, to perform an actuarial valuation of the liability arising from the employee defined benefit plan as at 30 September 2020. As of the report date, the actuary had finalised the report and the provision was adjusted to agree to the report.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

25. Deferred liability (continued)

	2020		2019	
(ii) In US Dollar	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
At 1 October	1,240	277	1,847	413
(Movements)/provision during the year	(197)	19	(379)	(67)
Payments made during the year	(111)	(38)	(128)	(46)
Foreign translation	(367)	(91)	(100)	(23)
At 30 September	565	167	1,240	277

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

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Defined benefit obligation 1 October	16,362	1,240	22,611	1,847
Current service cost before deduction of beneficiary contributions	589	36	887	72
Interest expense	2,739	169	3,850	313
Remeasurement - actuarial losses from changes in demographic assumptions	-	-	-	-
Remeasurement - actuarial losses from changes in financial assumptions	(4,929)	(305)	(3,097)	(251)
Experience gains	(1,300)	(80)	(5,731)	(465)
Benefits paid	(2,072)	(128)	(2,158)	(175)
Translation difference	-	(367)	-	(101)
Past Service cost	-	-	-	-
Defined benefit obligation 30 September	11,389	565	16,362	1,240
Unfunded	11,389	565	16,362	1,240
Partly or wholly funded	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

25. Deferred liability (continued)

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

	30 September 2020	30 September 2019
Discount rate at date shown	33%	20%
Salary growth rate	20.0%	14.50%
Average life expectancies:	Probability of reaching retirement age in service	Probability of reaching retirement age in service
- 25 years of age at reporting date	47%	47%
- 30 years of age at reporting date	57%	57%
- 35 years of age at reporting date	66%	66%
- 40 years of age at reporting date	72%	72%
- 45 years of age at reporting date	78%	78%
- 50 years of age at reporting date	86%	86%

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

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Current service cost	589	36	887	72
Past service cost	-	-	-	-
Net interest expenses	2,739	169	3,850	313
Total expenses recognised in profit or loss	3,328	205	4,737	385

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

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Actuarial losses from changes in demographic assumptions			-	-
Actuarial losses from changes in financial assumptions	(4,929)	(305)	(3,098)	(252)
Experience (gains)/losses	(1,300)	(80)	(5,731)	(465)
Return on plan assets (excluding amounts included in net interest)	-	-	-	-
Total expenses recognised in other comprehensive income	(6,229)	(385)	(8,829)	(717)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

26. Trade and other payables

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

Trade and other payables	2020		2019	
(i) In Zambian Kwacha	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Trade payables	290,172	226,646	233,245	152,362
Accruals	31,476	6,198	26,340	6,142
	321,648	232,844	259,585	158,504

Trade and other payables	2020		2019	
(ii) In US Dollars	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Trade payables	14,409	11,253	17,670	11,543
Accruals	1,562	308	1,995	465
	15,971	11,561	19,665	12,008

The average credit period taken in 2020 was 43 days (2019: 33 days).

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

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

Group	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Opening Balance	75,849	5,746	17,348	1,417
Receipt from Customers	776,373	48,013	685,422	55,635
Sales to Customers	(754,550)	(46,663)	(626,921)	(50,886)
Exchange Gain/Loss	-	(2,246)	-	(420)
Closing Stock	97,672	4,850	75,849	5,746

Company	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Opening Balance	71,807	5,440	15,644	1,278
Receipt from Customers	537,341	33,231	528,770	42,920
Sales to Customers	(516,872)	(31,965)	(472,607)	(38,361)
Exchange Gain/Loss	-	(2,124)	-	(397)
Closing Stock	92,276	4,582	71,807	5,440

Advances received from customers represent customer payments received in advance of performance (contract liability) that are expected to be recognised as revenue in 2021. The advances for supply of grain is ZMW 84,053 thousand, USD 4,173 thousand (2019: ZMW 66,000 thousand, USD 5,000 thousand), the supply of day-old chicks is ZMW 1,465 thousand, USD 73 thousand (2019: ZMW 534 thousand, USD 40 thousand), the amount for the supply of stock feed is ZMW 10,608 thousand, USD 527 thousand (2019: ZMW 8,001 thousand, USD 606 thousand) and others were ZMW 1,546 thousand, USD 77 thousand (2019: ZMW 1,194 thousand, USD 90 thousand). All brought forward balances were recognized as in come the current year.

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27. Provisions

The table below shows the provisions

Provisions	Staff	Others	Total	Staff	Others	Total
	ZMW'000s	ZMW'000s	ZMW'000s	USD'000s	USD'000s	USD'000s
Group						
Carrying amount 1 October 2019	47,591	5,323	52,914	3,606	403	4,009
Additional provisions	51,709	71,127	122,836	3,198	4,399	7,597
Amount utilised	(32,969)	(29,434)	(62,403)	(2,039)	(1,820)	(3,859)
Foreign translation	-	-	-	(1,471)	(647)	(2,118)
Carrying amount 30 September 2020	66,331	47,016	113,347	3,294	2,335	5,629
Company						
Carrying amount 1 October 2019	27,839	12,623	40,462	2,109	956	3,065
Foreign translation	-	-	-	(875)	(433)	(1,308)
Additional provisions	29,865	21,181	51,046	1,847	1,310	3,157
Amount utilised	(17,685)	(12,623)	(30,308)	(1,094)	(781)	(1,875)
Carrying amount 30 September 2020	40,019	21,181	61,200	1,987	1,052	3,039

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

28. Amounts due to related companies

	2020		2019	
(i) In Zambian Kwacha	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Zambeef Retailing Limited	-	634,417	-	417,832
Masterpork Limited	-	70,250	-	71,962
Tractorzam	443	443	251	251
	443	705,110	251	490,045
Non-current	-	-	-	-
Current	443	705,110	251	490,045

	2020		2019	
(ii) In US Dollars	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Zambian Pig Genetics	-	-	-	-
Zambeef Retailing Limited	-	31,501	-	31,654
Masterpork Limited	-	3,488	-	5,451
Zambezi Ranching and Cropping Limited	-	-	-	-
Tractorzam	22	22	19	19
	22	35,011	19	37,124
Non-current	-	-	-	-
Current	22	35,011	19	37,124

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

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2020

29. Reconciliation of liabilities arising from financing activities

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

	Long-term borrow- ings	Short-term borrowings	Lease liabilities	Total	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
Group	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	USD'000s	USD'000s	USD'000s	USD'000s
1 October 2019	228,099	343,042	40,784	611,925	17,280	25,988	3,090	46,358
Adoption of IFRS 16	-	-	7,063	7,063	-	-	351	351
Revised '1 October 2019	228,099	343,042	47,847	618,988	17,280	25,988	3,441	46,709
Cash-flows:								
– Repayment	(162,217)	(623,231)	(35,478)	(820,926)	(10,032)	(38,542)	(2,194)	(50,768)
– Proceeds	-	487,320	-	487,320	-	30,137	-	30,137
– Additions	-	-	14,329	14,329	-	-	886	886
Non-cash:								
– Exchange difference	141,697	102,407	16,311	260,415	3,549	(2,704)	3	848
– Reclassification	(17,361)	17,361	-	-	(1,352)	1,352	-	-
30 September 2020	190,218	326,899	43,009	560,126	9,445	16,231	2,136	27,812
1 October 2018	308,312	202,460	38,411	549,183	25,189	16,541	3,138	44,868
Cash-flows:								
– Repayment	(96,913)	(215,124)	(47,007)	(359,044)	(7,866)	(17,461)	(3,816)	(29,143)
– Proceeds	-	334,580	-	334,580	-	27,157	-	27,157
– Additions	-	-	47,714	47,714	-	-	3,873	3,873
Non-cash:								
– Exchange difference	23,113	14,713	1,666	39,492	-	(292)	(105)	(397)
– Reclassification	(6,413)	6,413	-	-	(43)	43	-	-
30 September 2019	228,099	343,042	40,784	611,925	17,280	25,988	3,090	46,358

NOTES TO THE FINANCIAL STATEMENTS – 30 SEPTEMBER 2020

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

	Long-term borrowings	Short-term borrowings	Lease liabilities	Total	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
Company	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	USD'000s	USD'000s	USD'000s	USD'000s
1 October 2019	228,099	343,042	40,784	611,925	17,280	25,988	3,090	46,358
Adoption of IFRS 16	-	-	-	-	-	-	-	-
Revised '1 October 2019	228,099	343,042	40,784	611,925	17,280	25,988	3,090	46,358
Cash-flows:								
– Repayment	(162,217)	(623,231)	(30,835)	(816,283)	(10,032)	(38,542)	(1,907)	(50,481)
– Proceeds	-	487,320	-	487,320	-	30,137	-	30,137
– Additions	-	-	14,329	14,329	-	-	886	886
Non-cash:								
– Exchange difference	141,697	102,406	11,668	255,771	3,549	(2,704)	3	848
– Reclassification	(17,361)	17,361	-	-	(1,352)	1,352	-	-
30 September 2020	190,218	326,898	35,946	553,062	9,445	16,231	2,072	27,748
1 October 2018	308,312	202,460	24,344	535,116	25,189	16,541	1,989	43,719
Cash-flows:								
– Repayment	(96,913)	(215,124)	(43,953)	(355,990)	(7,866)	(17,461)	(3,568)	(28,895)
– Proceeds	-	334,580	-	334,580	-	27,157	-	27,157
– Additions	-	-	47,714	47,714	-	-	3,873	3,873
Non-cash:								
– Exchange difference	23,113	14,713	1,666	39,492	-	(292)	(38)	(330)
– Reclassification	(6,413)	6,413	-	-	(43)	43	-	-
30 September 2019	228,099	343,042	29,771	600,912	17,280	25,988	2,256	45,524

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

30. Financial instruments

Financial assets

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

Financial liabilities

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

Monetary assets and liabilities in foreign currencies

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

(i) In Zambian Kwacha	2020		2019	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Financial assets				
- Cash at bank	14,532	7,139	30,575	3,115
- Trade receivables	21,622	19,485	58,257	52,372
- Other receivables	16,043	7,867	3	-
Financial liabilities				
- Bank overdrafts	(146,240)	(136,999)	(194,909)	(71,329)
- Trade and other payables and provisions	(198,419)	(185,163)	(138,151)	(108,193)
- Bank loans	(319,622)	(319,622)	(297,660)	(297,660)
- Leases	(30,341)	(18,468)	(19,423)	(19,423)
Net exposure	(642,425)	(625,761)	(561,308)	(441,118)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

30. Financial instruments (continued)

		2020		2019	
(i)	In US Dollars	Group	Company	Group	Company
		USD'000s	USD'000s	USD'000s	USD'000s
Financial assets					
-	Cash at bank	722	354	2,316	236
-	Trade receivables	1,074	967	4,413	3,968
-	Other receivables	797	391	-	-
Financial liabilities					
-	Bank overdrafts	(7,261)	(6,802)	(14,766)	(5,404)
-	Trade and other payables and provisions	(9,852)	(9,194)	(10,465)	(8,197)
-	Bank loans	(15,870)	(15,870)	(22,550)	(22,550)
-	Leases	(1,507)	(917)	(1,471)	(1,471)
Net exposure		(31,897)	(31,071)	(42,523)	(33,418)

(i)	In Zambian Kwacha 2020 - Group	US Dollar	SA Rand	Other	Total
		ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Financial Assets					
-	Cash at bank	13,074	731	727	14,532
-	Trade receivables	21,607	15	-	21,622
-	Other receivables	8,294	3,880	3,869	16,043
Financial Liabilities					
-	Bank overdrafts	(146,240)	-	-	(146,240)
-	Trade and other payables	(178,027)	(18,835)	(1,557)	(198,419)
-	Bank loans	(319,622)	-	-	(319,622)
-	Leases	(30,341)	-	-	(30,341)
Net exposure		(631,255)	(14,209)	3,039	(642,425)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

30. Financial instruments (continued)

(i) In Zambian Kwacha - 2019 - Group

	US Dollar	SA Rand	Other	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Financial Assets				
- Cash at bank	2,578	1,303	26,694	30,575
- Trade receivables	55,191	1,984	1,082	58,257
- Other receivables	-	3	-	3
Financial Liabilities				
- Bank overdrafts	(80,589)	-	(114,320)	(194,909)
- Trade and other payables	(106,330)	(10,458)	(21,363)	(138,151)
- Bank loans	(297,660)	-	-	(297,660)
- Leases	(19,423)	-	-	(19,423)
Net exposure	(446,233)	(7,168)	(107,907)	(561,308)

(i) In US Dollars – Group - 2020

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

30. Financial instruments (continued)

(i) In US Dollars – Group - 2020

(i) In US Dollars - Group	US Dollar	SA Rand	Other	Total
	USD'000s	USD'000s	USD'000s	USD'000s
2019				
Financial Assets				
- Cash at bank	195	99	2,022	2,316
- Trade receivables	4,181	150	82	4,413
- Other receivables	-	-	-	-
Financial Liabilities				
- Bank overdrafts	(6,105)	-	(8,661)	(14,766)
- Trade and other payables	(8,055)	(792)	(1,618)	(10,465)
- Bank loans	(22,550)	-	-	(22,550)
- Finance leases	(1,471)	-	-	(1,471)
Net exposure	(33,805)	(543)	(8,175)	(42,523)

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

These risks are managed as described below:

(ii) Currency risk

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

30. Financial instruments (continued)

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

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH	222,547	11,050	197,604	14,970
International Finance Corporation	97,075	4,820	100,056	7,580
	319,622	15,870	297,660	22,550

Foreign currency risk sensitivity analysis

Zambian Kwacha/United States Dollar exchange risk

The following tables illustrate the sensitivity of the net result for the year and equity with regard to the Group's foreign currency borrowings "with all other things being equal". It assumes a +/-10 percent and 5 percent, movement in the United States Dollar/Zambian Kwacha exchange rate for the year ended 30 September 2020.

If the Zambian Kwacha had weakened against the United States dollar by 10 percent (2019: 10 percent) then this would have resulted in the following impact on net profit and equity:

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Weakening of the Kwacha				
Net loss	(130,545)	(7,450)	(2,443)	(180)
Equity	3,740,112	168,823	3,215,943	221,484

If the Zambian Kwacha had strengthened against the United States Dollar by 5 per cent. (2019: 5 per cent) then this would have resulted in the following impact on net profit and equity:

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Strengthening of the Kwacha				
Net profit	(84,564)	(5,505)	42,206	3,606
Equity	3,788,055	197,985	3,260,592	260,015

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

(iii) Interest rate risk

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

30. Financial instruments (continued)

	Profit		Equity	
Changes in interest rates	+5%	-5%	+5%	-5%
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
30 September 2020	(34,829)	34,829	(27,863)	22,291
30 September 2019	(31,842)	31,842	(25,474)	20,379

	Profit		Equity	
Changes in interest rates	+5%	-5%	+5%	-5%
	USD'000s	USD'000s	USD'000s	USD'000s
30 September 2020	(2,154)	2,154	(1,723)	1,379
30 September 2019	(2,585)	2,585	(2,068)	1,654

(iv) Market risk

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

(b) Credit risk

Trade receivables

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

(c) Liquidity risk

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

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	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Interest bearing liabilities	88,512	88,512	190,218	-
Other bank borrowings	-	348,045	-	-
Finance lease obligations	10,164	10,164	19,297	-
Trade and other payables	321,648	-	-	-

30 September 2020

	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	later than 5 years
	USD'000s	USD'000s	USD'000s	-
Interest bearing liabilities	4,395	4,395	9,445	-
Other bank borrowings	-	17,281	-	-
Finance lease obligations	505	505	958	-
Trade and other payables	21,593	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

31. Fair value measurement

Fair value measurement of financial instruments

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

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

The Group had no financial assets within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 September 2020, 30 September 2019, and 1 October 2018.

Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 30 September 2020, 30 September 2019, and 1 October 2018:

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

30 September 2019	Level 1	Level 2	Level 3	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Land held for production in Zambia	-	1,994,196	-	1,994,196
Office building in Zambia	-	48,856	-	48,856
Plant and machinery	-	874,965	-	874,965
Biological assets	-	170,417	-	170,417

30 September 2020	Level 1	Level 2	Level 3	Total
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Land held for production in Zambia	-	2,012,403	-	2,012,403
Office building in Zambia	-	40,225	-	40,225
Plant and machinery	-	815,646	-	815,646
Biological assets	-	181,674	-	181,674

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

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

1 October 2018	Level 1	Level 2	Level 3	Total
	USD'000s	USD'000s	USD'000s	USD'000s
Land held for production in Zambia	-	165,142	-	165,142
Office building in Zambia	-	3,286	-	3,286
Plant and machinery	-	67,332	-	67,332
Biological assets	-	14,843	-	14,843

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

31. Fair value measurement (continued)

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

Further information is set out below.

Land held for production in Zambia (Level 2)

Land has been valued using the direct comparison method. This method has been adopted as the most appropriate for the purpose of this valuation as there are enough comparisons available on the open market for land. The land was revalued on 30 September 2017. Management determined that the effect of changes in fair values between the valuation and reporting date is immaterial.

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

Office building in Zambia (Level 2)

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

Plant and machinery (Level 2)

Plant and machinery have been valued using the direct comparison method. This method has been adopted as the most appropriate for the purpose of this valuation as there are enough comparisons available on the open market for plant and machinery. The plant and machinery were revalued on 30 September 2017. Management determined that the effect of changes in fair values between the valuation and reporting date is immaterial.

Biological assets (Level 2)

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

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

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

32. Capital commitments

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Capital commitments entered into at the reporting date	6,690	332	15,008	1,137
Not contracted for at the reporting date	-	-	50,992	3,863

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

33. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of the significant transactions between the Group and other related parties during the year ended 30 September 2020 are as follows:

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

		2020		2019	
	Sale of	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Wellspring Ranch	Animal feeds/bran	98	6	-	-
Chisamba Ranching and Cropping	Animal feeds/bran	-	-	1,704	138
Danny Museteka	Animal feeds/bran	4,568	282	563	46
Squares Ranch	Animal feeds/bran	28	2	-	-
		4,694	290	2,267	184

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

		2020		2019	
	Purchase of	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Wellspring Limited	Cattle beef	5,553	343	-	-
Tembilo Farms	Chickens	1,301	80	2,054	167
Tractorzam Limited	Tractors/spares	6,176	382	7,205	585
Chisamba Ranching and Cropping	Beef	26,495	1,638	13,814	1,121
Madison Insurance	Insurance	-	-	8,114	659
Lillian Limbuka	Pigs	4,727	292	5,873	477
		44,252	2,735	37,060	3,009

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

33. Related party transactions (continued)

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

	2020		2019	
	Group	Company	Group	Company
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
Short-term benefits	81,862	70,091	96,315	84,197
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-
	Group	Company	Group	Company
	USD'000s	USD'000s	USD'000s	USD'000s
Short-term benefits	5,062	4,335	7,818	6,834
Post-employment benefits	-	-	-	-
Other long-term benefits	-	-	-	-

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

(j) There were no loans to related parties and key management personnel.

(k) The company made the following sales to related parties:

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Zambeef Retailing Limited	1,071,967	66,294	989,956	80,354
Zambia Pig Genetics Limited			3,478	282
Masterpork Limited	32,102	1,985	28,182	2,287
Chick Limited	193,246	11,951	123,200	10,000
Zamhatch Limited	116,626	7,213	142,402	11,559
Zamleather Limited	211	13	187	15
Zampalm Limited	-	-	7	1
Wellspring Limited	98	6	-	-
Squares Ranch	28	2		
Danny Museteka	4,568	282	563	46
Chisamba Ranching and Cropping	-	-	1,704	138
	1,418,846	87,746	1,289,679	104,682

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

33. Related party transactions (continued)

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

	2020		2019	
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Zambeef Retailing Limited	1,852	115	2,326	189
Zamleather Limited	1,805	112	846	69
Zam Chick Limited	913	56	264	21
Tractorzam Limited	6,176	382	7,205	584
Masterpork Limited	40,583	2,510	44,027	3,574
Squares Ranch	705	44	-	-
Zamhatch Limited	24,690	1,527	25,148	2,041
Chisamba Ranching and Cropping	1,237	77	7,831	636
Wellspring Limited	5,553	343	-	-
	83,514	5,166	87,647	7,114

34. Assets held for sale

During the year under review management decided to sell Chiawa Farm. As such the assets and liabilities of Chiawa Farm are classified as assets held for sale.

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

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

	September 2020	September 2020	September 2019	September 2019
	ZMW'000s	USD'000s	ZMW'000s	USD'000s
Revenue	67,465	4,172	41,003	3,328
Cost of sales	(30,893)	(1,911)	(34,307)	(2,785)
Administration costs	(28,422)	(1,757)	(24,075)	(1,954)
Operating profit/(loss)	8,150	504	(17,379)	(1,411)
Depreciation	(6,621)	(409)	-	-
Exchange losses	-	(168)	-	-
Profit from disposal of Sinazongwe farm	31,906	2,141	-	-
Profit/Loss from discontinued operation before tax	33,435	2,068	(17,379)	(1,411)
Tax (expense)/credit	-	-	-	-
Profit/(loss) for the year	33,435	2,068	(17,379)	(1,411)

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2020

34. Assets held for sale (continued)

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

	September 2020	September 2020	September 2019	September 2019
	ZMW'000	USD'000	ZMW'000	USD'000
Property, plant and equipment	175,654	8,722	135,357	10,254
Total non-current assets	175,654	8,722	135,357	10,254
Biological assets	-	-	-	-
Inventories	-	-	-	-
Total current assets	-	-	-	-
Assets classified as held for sale	-	-	-	-
Total non-current liabilities	-	-	-	-
Trade and other payables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total current liabilities	-	-	-	-

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

	September 2020	September 2020	September 2019	September 2019
	ZMW'000	USD'000	ZMW'000	USD'000
Cash outflow from operating activities	1,529	95	(17,379)	(1,411)
Cash outflow from investing activities	167,264	10,344	-	-
Cash outflow from financing activities	-	-	-	-

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

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

35. Contingent liabilities

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

36. Impact of COVID-19 pandemic

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

37. Events subsequent to reporting date

No item, transaction or event of a material and unusual nature has arisen since 30 September 2020, which in the opinion of the directors would substantially affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in the subsequent financial years



Notice of Annual General Meeting and agenda

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of Zambeef Products PLC in respect of the year ended 30th September 2020 will be held on Thursday December 24th, 2020 at 10:00hours. The Annual General Meeting proceedings will be conducted virtually.

AGENDA

1. To read the Notice of the Meeting and confirm that a quorum is present
2. To read and confirm the minutes of the 25th Annual General Meeting held on December 30, 2019.
3. Consider any matters arising from the minutes
4. To receive the report of the Directors, the Auditors report and the Financial Statements for the year ended September 30, 2020 - (Resolution 1)
5. To re-appoint Grant Thornton (Zambia) as Auditors for 2020/2021 and authorize the Directors to fix their remuneration - (Resolution 2)
6. To ratify the Retirement of Dr. Lawrence Sikutwa who will not seek re-election - (Resolution 3)
7. In terms of the Companies Act, Margaret Mudenda and Jonathan Kirby retire but are eligible to offer themselves for re-election - (Resolution 4 and 5).
8. Revision of Directors' Remuneration (Proposed 15% upward adjustment) - (Resolution 6)
9. To Consider any competent business of which due notice has been given.

NOTES

Key Sign Up instructions

- (a) Sign Up
 - Use the following link to access the platform: <https://eagm.creg.co.zw/EAGM/Login.aspx>
 - First time users are required to sign-up by clicking the " Sign Up " option.
 - Attendees are to indicate the criteria of their attendance of the provided options i.e. Shareholder/Non-Shareholder/Proxy
 - Attendees are required to provide the necessary information to complete the sign up procedure.
 - Once Sign-up has been completed, the admins will validate information provided before granting access to attendees. Once validated, login credentials will be delivered through email and sms. The validation process may take a maximum period of 48hrs.
- (b) Sign in
 - Use the following link to access the platform: <https://eagm.creg.co.zw/EAGM/Login.aspx>
 - Enter username
 - Enter Password
 - Click Login
 - Click "Register" on the blue button to confirm online attendance
 - Click "Join" to begin following video and audio transmission of meeting proceedings.
 - Click "Join with Computer Audio" to attend the live meeting
- (c) Ensure that you have downloaded Google Chrome <https://www.google.com/chrome/> or Microsoft Edger <https://www.microsoft.com/en-us/edgefor> for better experience.
- (d) Use of Apple devices must be done in consultation with the system Administrator, details of which are given below.
- (e) If you have problems with the login, please call, the following helplines +260950968435, +260979420470 and +260979946143.
- (f) A Member is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. A proxy need not be a member of the Company. Proxies must be lodged at the registered office of the Company at least 48 hours before the time fixed for the meeting.

By Order of the Board
Danny Museteka
Company Secretary

Proxy form

I/We,

of

being a member/s of and the registered holder/s of

Zambeef shares hereby appoint

of

or, in his/her absence, the Chairman of the Company.

As my/our proxy to vote for me/us on my/our behalf at the Annual/Extraordinary General Meeting of the Company at be held on the 24th day December 2020 and at any adjournment of that meeting.

In Favour of/against (please tick)

	In Favour	Against
Resolution 1 To receive, approve and adopt financial statements for the year ended 30 September 2020	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 To re-appoint Grant Thornton as Auditors for 2020/21 and authorise the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 To Ratify the Retirement of Lawrence Sikutwa as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 To Re-elect Ms. Margaret Mudenda as a Non- Executive Director	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 To re-elect Mr. Jonathan Kirby as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 To approve the revision of Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>

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

Signed:

Name:

Date:

Witnessed by: Signature:

Name:

Address:

.....

Notes to the Proxy Form

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided, with or without deleting “the Chairman of the Company”. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow. Any such proxy, who need not be a shareholder of the Company, is entitled to attend, speak and vote on behalf of the shareholder.
2. A proxy is entitled to one vote on a show of hands and, on a poll, one vote for each share held. A shareholder’s instructions to the proxy must be indicated in the appropriate spaces.
3. If a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against any resolution or to abstain from voting or gives contradictory instructions, or should any further resolution/s or any amendment/s which may be properly put before the Annual General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
4. This form of proxy must be received by the Company secretary at the registered head office, Plot 4970, Manda Road, Industrial Area, P/B 17, Woodlands, Lusaka, by no later than 10:00 on Monday, 21st December, 2020.
5. Documentary evidence establishing the authority of the person signing the proxy in representative capacity must be attached hereto unless previously recorded by the Company’s transfer secretaries.
6. The completion and lodging of this form of proxy will not preclude a shareholder from attending the Annual General Meeting and speaking and voting in person there at to the exclusion of any proxy appointed in terms of this proxy form.
7. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.
8. The Chairman of the meeting may accept or reject any form of proxy, which is completed and/or received other than in accordance with these notes.

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