ZAMBIAN BREWERIES PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

Table of Contents **Page No.**

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 March 2011, which disclose the state of affairs of the Zambian Breweries Plc ('the Company').

PRINCIPAL ACTIVITIES

The principal activities of the Company are the production and distribution of clear beer and soft drinks. In the opinion of the Directors, all the activities of the Company substantially fall within the beverage industry.

SHARE CAPITAL

There were no changes in share capital during the year.

OPERATING RESULTS AND DIVIDENDS

On 1 April 2010, the assets and liabilities and operations of Copperbelt Bottling Ltd, Zambia Bottlers Ltd and Northern Breweries Plc were merged into Zambian Breweries Plc. The impact on the Group's Reserves of this consolidation was nil and these three companies have since been wound up.

The group of four companies referred to as the "Group" in the prior year financial statements now operate as one company, Zambian Breweries Plc. The financial results of Zambian Breweries Plc, the company, presented in this year's financial statements are therefore comparable to the financial results of the Group presented in the prior year.

	2011 K million	**2010 K million**
Revenue	781,913	615,558
Profit/(loss) for the year after tax	45,309	(720)

The Directors recommend that no dividend be paid.

DIRECTORS

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

Valentine Chitalu	-	Chairman
Pearson Gowero	-	Managing Director
Dave Kvalsvig	-	Financial Director
Wesley Tiedt	-	Non -Executive Director
Gerard Besson	-	Non -Executive Director
George Sokota	-	Non -Executive Director

(all amounts are in millions of Kwacha unless otherwise stated)

NUMBER OF EMPLOYEES AND REMUNERATION

The total remuneration of employees during the year amounted to K70,828 million (2010: K65,664 million) and the average number of employees was as follows:

Month	Number	Month	Number
April	910	October	1,009
May	926	November	952
June	941	December	966
July	943	January	963
August	953	February	945
September	957	March	955

The Company recognises its responsibility regarding the occupational health, safety, and welfare of its employees and has put in place measures to safeguard them.

GIFTS AND DONATIONS

During the year the Company made charitable donations totalling K86 million (2010: K179 million).

EXPORTS

Beer to the value of K125 million (2010 – K nil) was exported to Malawi and barley to Tanzania with a value of K 2,316 million (2010 – K nil) during the year.

PROPERTY, PLANT AND EQUIPMENT

The Company purchased property, plant and equipment amounting to K61,780 million (2009: K307,587 million) during the year. In the opinion of the Directors, the carrying value of property, plant and equipment is not more than its market value.

RESEARCH AND DEVELOPMENT

No research and development costs were incurred by the Company during the year (2010: Nil)

AUDITORS

The Company's auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office. In accordance with section 171(3) of the Companies Act, a resolution for their reappointment will be proposed at the annual general meeting.

By order of the Board

M MUTIMUSHI
Company Secretary

13 May 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Zambia Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the Zambia Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of financial affairs of the Company and of its profit in accordance with International Financial Reporting Standards. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Signed on their behalf by:

Valentine Chitalu	**Pearson Gowero**
Chairman	**Managing Director**

13 May 2011

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF ZAMBIA BREWERIES PLC

Report on the financial statements

We have audited the accompanying financial statements of Zambia Breweries Plc set out on pages 6 to 35. These financial statements comprise the balance sheet as at 31 March 2011 and the profit and loss account, statements of comprehensive income, statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view of the financial position of Zambia Breweries Plc at 31 March 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Zambia Companies Act.

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Report on other legal requirements

The Zambia Companies Act requires that in carrying out our audit we consider whether the company has kept proper accounting record and other registers required by this Act.

In our opinion, based on our examination of those records, the company has maintained proper accounting records and other records and registers as required by the Zambia Companies Act.

Chartered Accountants ____________________2011
Lusaka

Mark Libakeni
Partner, signing for and on behalf of the firm

(all amounts are in millions of Kwacha unless otherwise stated)

Profit and loss account

	Notes	Year ended 31 March 2011	2010
Turnover		996,181	837,256
Excise duty		(214,268)	(221,689)
Revenue	5	781,913	615,558
Cost of sales		(415,651)	(362,442)
Gross Profit	5	366,262	253,11
Other income	6	9,829	5,660
Distribution costs		(113,372)	(91,368)
Administrative expenses		(105,268)	(97,416)
Other operating costs		(19,857)	(16,956)
Operating profit	7	137,594	53,036
Finance costs	9	(70,083)	(49,216)
Profit before income tax		67,511	3,820
Income tax expense	10	(22,202)	(4,540)
Profit/ (loss) for the year		45,309	(720)
Earnings/(loss) per share for profits attributable to the equity holders of the Company			
- Basic and diluted (Kwacha per share)	11	124.47	(1.98)

Statement of comprehensive income

	Year ended 31 March	
	2011	**2010**
Profit/(loss) for the year	45,309	(720)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	45,309	(720)

(all amounts are in millions of Kwacha unless otherwise stated)

Balance sheet

	Notes	At 31 March 2011	2010
Equity			
Share capital	12	364	364
Share premium	13	99,474	99,474
Retained earnings		137,219	91,887
Total equity		237,057	191,725
Non-current liabilities			
Borrowings	14	400,000	257,200
Deferred income tax	15	90,188	68,552
Total non-current liabilities		490,188	325,752
Total equity and non-current liabilities		727,245	517,477
Non-current assets			
Property, plant and equipment	16	672,640	677,634
Intangible assets	17	73,203	73,897
		745,843	751,531
Current assets			
Inventories	18	149,089	159,733
Trade and other receivables	19	51,786	49,039
Current income tax	10	20,297	20,749
Cash and bank balances	20	22,702	107
		243,874	229,628
Current liabilities			
Trade and other payables	21	187,407	358,811
Borrowings	14	75,065	104,871
		262,472	463,682
Net current liabilities		(18,598)	(234,054)
Net assets		727,245	517,477

The financial statements on pages 6 to 35 were approved for issue by the Board of Directors on 13 May 2011 and signed on its behalf by:

Valentine Chitalu
Chairman

Pearson Gowero
Managing Director

(all amounts are in millions of Kwacha unless otherwise stated)

Statement of changes in equity

	Note	Share capital	Share premium	Retained earnings	Total
Year ended 31 March 2010					
At start of year		364	99,474	110,720	210,558
Comprehensive income					
Total comprehensive income for the year		-	-	(720)	(720)
Total comprehensive income		-	-	(720)	(720)
Transactions with owners					
Dividends					
- Final for 2009		-	-	(18,113)	(18,113)
Total transactions with owners				(18,113)	(18,113)
At end of year		364	99,474	91,887	191,725
Year ended 31 March 2011					
At start of year		364	99,474	91,910	191,725
Comprehensive income					
Total comprehensive income for the year		-	-	45,309	45,309
Total comprehensive income		-	-	45,309	45,309
At end of year		364	99,474	137,219	237,057

(all amounts are in millions of Kwacha unless otherwise stated)

Statement of cash flows

	Notes	Year ended 31 March 2011	2010
Cash flows from operating activities			
Cash generated from operations	22	29,328	146,951
Interest received		1,166	749
Interest paid		(61,251)	(42,987)
Income tax paid	10	(114)	(11,532)
Net cash (used in) /generated from operating activities		(30,871)	93,181
Cash flow from investing activities			
Purchase of property, plant and equipment	16	(54,304)	(307,587)
Purchase of software licenses	17	-	(2,084)
Proceeds from sale of property, plant and equipment		9,956	1,201
Proceeds from disposal of investment property		-	9,325
Net cash used in investing activities		(44,348)	(299,145)
Cash flow from financing activities			
Repayments of other borrowings		(7,626)	(7,500)
Proceeds from bank loans		157,800	257,200
Repayment of bank loans		(15,000)	-
Dividends paid to shareholders		(15,180)	(18,113)
Net cash generated from/ (used in) financing activities		119,994	(231,587)
Increase in cash and cash equivalents		44,775	25,623
Movement in cash and cash equivalents			
At start of year		(97,138)	(122,761)
Increase/ (decrease) in cash and cash equivalents		44,775	25,623
At end of year	20	(52,363)	(97,138)

NOTES

1 General information

Zambian Breweries Plc is incorporated in Zambia under the Zambia Companies Act as a public company, listed on the Lusaka Stock Exchange and is domiciled in Zambia. The address of the registered office of Zambian Breweries Plc is:

Plot Number 6438, Mungwi Road
Heavy Industrial Area
Lusaka
Zambia.

2 Summary of significant accounting policies

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

a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, unless otherwise stated in the accounting policies below. The financial statements are presented in Zambian Kwacha (K), rounded to the nearest million.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

- **Adoption of new and revised standards**

  In 2010, the following new and revised standards and interpretations became effective for the first time and have been adopted by the Company. The adoption of these new and revised standards and interpretations had no material effect on the Company's accounting policies or disclosures.

  - IFRS 8 "Operating segments" effective for financial years beginning on/ after 1 January 2010

  - IFRIC 17 "Distribution of non-cash assets to owner effective for financial years beginning on/ after 1 July 2009

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

2. Summary of significant accounting policies (continued)

New and amended standards, and interpretations mandatory for the financial year beginning 1 January 2010 but not relevant to the Company:

Standard/ Interpretation	Title	Applicable for financial years beginning on/after
IFRS 1	First-time Adoption of International Financial Reporting Standards - Additional exemptions for first-time adopters	1 July 2009
IFRS 2 (amended)	Share-based payment – Group cash-settled share-based payment transaction	1 January 2010
IFRS 2	Share-based Payment (part of Annual Improvement Project 2009) - Scope of IFRS 2 and revised IFRS 3	1 July 2009
IFRS 3	Business combinations	1 July 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (part of Annual Improvement Project 2009) – Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations	1 January 2010
IAS 27 (revised)	Consolidated and Separate Financial Statements	1 July 2009
IAS 38	Intangible assets (part of Annual Improvement Project 2009) – Additional consequential amendments arising from revised IFRS 3	1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement (part of Annual Improvement Project 2009) – (i) Treating loan prepayment penalties as closely related embedded derivatives (ii) Scope exemption for business combination contracts	1 January 2010
IFRIC 9 & IAS 39	Reassessment of embedded derivatives & Financial Instruments: Recognition and Measurement	30 June 2009
IFRIC 18	Transfers of assets from customers	1 July 2009

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

2. Summary of significant accounting policies (continued)

Standards and interpretations issued but not yet effective

The following new standards, amendments to existing standards and interpretations have been issued and are mandatory for the Company's accounting periods beginning on or after 1 January 2011 or later periods and are not expected to be relevant to the Company.

Standard/ Interpretation	Title	Applicable for financial years beginning on/after
IFRS 1 (amended)	First-time Adoption of International Financial Reporting Standards – Limited exemption from comparative IFRS 7 disclosures for first-time adopters	1 July 2010
IFRS 9	Financial instruments part 1: Classification and measurement	1 January 2013
IAS 24 (amended)	Related party disclosures	1 January 2011
IAS 32 (amended)	Financial instruments: Presentation – Classification of rights issue	1 February 2010
IFRIC 14 (amended)	IAS 19 – The limit on a defined benefit asset, minimum funding requirement and their interaction	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

Improvements to IFRS

'Improvements to IFRS' were issued in May 2010. The amendments that are relevant to the Company's operations relate to IAS 1, 'Presentation of financial statements' and IFRS 7'Financial Instruments: Disclosures'. Most of the amendments are effective for annual periods beginning on or after 1 January 2011 with early application permitted.

IFRS 7, 'Financial Instruments: Disclosures'. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.

IAS 1, 'Presentation of financial statements'. The amendment clarifies that an entity must present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

Early adoption of standards

The Company did not early-adopt new or amended standards in 2010/11

b) Functional currency and translation of foreign currencies

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

NOTES (continued)

2 Summary of significant accounting policies continued

b) Functional currency and translation of foreign currencies (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or cost'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other (losses)/gains – net'.

c) Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services rendered in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account within administrative expenses.

d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities on the balance sheet.

e) Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

f) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value are recognised in the profit and loss account over the period of the borrowings. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

NOTES (continued)

2. Summary of significant accounting policies continued

g) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of excise duty, value-added tax (VAT), returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

(i) Sales of goods are recognised in the period in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(ii) Interest income is recognised using the effective interest method. Dividends are recognised as income in the period in which the right to receive payment is established.

h) Property plant and equipment

All categories of property, plant and equipment are initially recorded at cost and are subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight line method to write down their cost to their residual values over their estimated useful lives, as follows:

Buildings	25 – 40 years
Plant and equipment	3 – 20 years
Returnable containers	1.5 – 5 years
Motor vehicles	5 years

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are included in the profit and loss account.

NOTES (continued)

2. Summary of significant accounting policies continued

i) Intangible assets

(i) Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the company's investment in each reporting segment.

(ii) Computer software is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The computer software is amortised over its useful life of 3 years.

j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the Company's standard costing method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct cost and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

k) Employee benefits

(i) Retirement benefit obligations

The Company operates defined contribution retirement benefit schemes for its employees. The Company and all its employees also contribute to the National Pension Scheme Fund, which is a defined contribution scheme. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the Company and employees.

The Company's contributions to the defined contribution schemes are charged to the profit and loss account in the year in which they fall due.

(ii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognised as an expense accrual.

NOTES (continued)

2 Summary of significant accounting policies continued

l) Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Tax is recognised in the profit and loss account unless it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

m) Dividends

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared.

n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

o) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

p) Derivative financial instruments

Derivatives, mainly forward foreign exchange contracts, are initially recognised at fair value on the date the derivative contract is entered into and are subsequently measured at fair value. The fair value is determined using forward exchange market rates at the balance sheet date .The derivatives do not qualify for hedge accounting. Changes in the fair value of derivatives are recognised immediately in the profit and loss account.

NOTES (continued)

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk, interest rate risk), credit risk and liquidity risk. The Company's risk management framework and governance structures are intended to provide comprehensive controls and ongoing management of its major risks. The Board of Directors exercises oversight through delegation from the Board to various sub-committees, notably the Audit Committee and the Executive Committee, which are organised in line with risk management policies of SABMiller Plc, the ultimate parent company.

An overview of the key aspects of risk management and use of financial instruments is provided below.

a) Market risk

The significant market risks to which the company is exposed are foreign exchange risk and interest rate risk.

i) Foreign exchange risk

The Company's functional currency is Zambian kwacha ("ZMK"). As virtually all of the company's revenues are derived in ZMK and the majority of its business is conducted in ZMK, foreign exchange risk arises from transactions denominated in currencies other than ZMK. Sales are denominated in ZMK and the majority of operating expenses are denominated in ZMK. The company's primary foreign exchange exposures are to the US Dollar ("USD") and South African rand ("ZAR"); to the local currencies of suppliers who provide raw materials and capital equipment for project development, principally the US dollar ("USD") and South African rand ("ZAR") and foreign currency denominated cash balances.

As at 31 March 2011, with other variables unchanged, if the Kwacha had weakened/strengthened by 10% (2010: 10%) against the US dollar, with all other variables held constant, post tax profit for the year would have been K4,788 million lower/higher (2010: post tax loss – K4,216 million lower/higher), mainly as a result of the revaluation of US dollar denominated supplier and cash balances. Equity would have been K4,788 million lower/higher (2010: K4,216 million lower/higher).

At 31 March 2011, with other variables unchanged, if the Kwacha had weakened/strengthened by 10% (2010: 10%) against the South African Rand, with all other variables held constant, post tax profit for the year would have been K1,595 million lower/higher (2009: post tax loss – K7,409 million lower/higher), mainly as a result of the revaluation of Rand denominated supplier and cash balances. Equity would have been K1,595 million lower/higher (2010: K7,409 million lower/higher)

ii) Interest rate risk

The Company's interest rate risk arises primarily from interest paid on floating rate borrowings. The floating rate borrowings expose the Company to cash flow interest rate risk.

As at 31 March 2011, with other variables unchanged, a 1% decrease / increase in the base interest rate (2010: 1%) would result in post tax profit for the year being K3,088 million higher/lower (2010: K3,621 million higher/lower). Equity would have been K3,088 million higher/lower (2010: K3,621 million higher/lower).

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

3 Financial risk management (continued)

b) Price risk

The company does not hold any financial instruments subject to price risk.

c) Credit risk

The Company does occasionally have funds on deposit at various banks but on those occasions when the amounts involved are material, the length of time that the funds are being held, is short. The Company's main credit risk therefore comes from its exposure to trade and other receivables but the Company does not have significant concentrations of credit risk in these areas.

Trade receivables are managed by the Credit Control Manager. The Credit Control Manager assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual credit limits and terms are set based on limits set by the Board. The utilisation of credit limits and the adherence to settlement terms are constantly monitored.

Bank guarantees are obtained for the vast majority of credit customers.

The Company's maximum exposure to credit risk at 31 March 2011 was as follows:

	2011	**2010**
Cash and cash equivalents	22,702	107
Trade receivables	23,341	21,849
Amounts due from related parties	416	10,926
Other receivables	25,462	11,184
	71,921	44,066

All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated. The company does not use external credit ratings for the purposes of assessing credit quality.

None of the above assets are past due or impaired except for the following amounts in trade receivables (which are due within 30 days of the end of the month in which they are invoiced):

	2011	**2010**
Past due but not impaired:		
- by up to 30 days	2,449	1,643
- by more than 31 days	717	322
Total past due but not impaired	3,166	1,965
Bank guarantees/title deeds	1,876	1,965
Receivables impaired in full	3,126	2,425

All receivables subject to litigation or past due by more than 60 days are considered to be impaired, and are carried at their estimated recoverable value.

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

3 Financial risk management (continued)

e) Liquidity risk

The Company manages liquidity risk by maintaining cash and cash equivalent balances and available credit facilities to ensure that it is able to meet its short term and long term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by exchange rate movements.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Total
At 31 March 2011:			
- borrowings	75,065	400,000	475,065
- trade and other payables	187,407	-	187,407
	262,472	400,000	662,472
At 31 March 2010:			
- borrowings	118,504	280,348	398,852
- trade and other payables	358,811	-	358,811
	477,315	280,348	757,663

Fair value estimation

Effective 1 January 2009, the Company adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. The company holds the following financial instruments at fair value. The notional amounts of these forward exchange contracts in Kwacha equivalent are shown below:

	2011	2010
Forward exchange contracts	76,344	-

f) Capital management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt. Consistent with others in the industry, the company monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by the total capital of the company in Zambia. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

3 Financial risk management (continued)

During the year, the Company's strategy was to maintain a gearing ratio less than 75%. The gearing ratio at 31 March 2011 was 66% (2010: 65%)

	2011	2010
Total borrowings	475,065	362,071
Less: cash and cash equivalents	(22,702)	(107)
Net debt	452,363	361,964
Total equity	237,057	191,725
Total capital	689,420	553,689
Gearing ratio	66%	65%

4 Critical accounting estimates and judgements

(i) Critical judgements in applying the Company's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(ii) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of goodwill
The Company tests annually whether goodwill has suffered any impairment, in accordance with accounting policy (i). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The assumptions used in the calculations are set out in Note 17.

Income taxes
The Company is subject to income tax. Significant judgment is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

5 Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee for strategic decision making. The committee considers the business from a product perspective.

The reportable operating segments derive their revenue primarily from the manufacture and sale of Alcoholic and Non-alcoholic beverages respectively.

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 March 2011 is as follows:

Year ended 31 March 2011	**Alcoholic beverages**	**Non-alcoholic beverages**	**Total**
Revenues from external customers	525,269	256,644	781,913
Gross profit	254,842	111,420	366,262
Depreciation of property plant and equipment	(19,639)	(16,578)	(36,217)
Amortisation of intangible assets	(496)	(198)	(694)
Interest income	833	333	1,166
Finance costs	(49,762)	(19,862)	(69,624)
Other operating expenses	(130,022)	(63,360)	(193,382)
Income tax expense	(18,337)	(3,865)	(22,202)
Profit for the year	37,419	7,890	45,309
Total assets	686,581	280,434	967,015
Total assets include:			
Property, plant and equipments	511,272	161,368	672,640
Intangible assets	18,277	54,926	73,203
Inventories	105,853	43,236	149,089
Trade and other receivables	51,179	20,904	72,083
Total assets	686,581	280,434	967,015
Total liabilities	133,944	53,464	187,407

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

5 Segment information (continued)

The segment information for the year ended 31 March 2010 is as follows:

Year ended 31 March 2010	**Alcoholic beverages**	**Non-alcoholic beverages**	**Total**
Revenues from external customers	364,042	251,516	615,558
Gross profit	142,377	110,739	253,116
Depreciation of property, plant and equipment	(36,425)	(33,968)	(70,393)
Amortisation of intangible assets	(174)	-	(174)
Interest income	714	35	749
Finance costs	(28,550)	(20,666)	(49,216)
Other operating expenses	(74,681)	(55,581)	(130,262)
Income tax expense	3,016	(7,556)	(4,540)
Profit for the year	6,277	(6,997)	(720)
Total assets	733,596	226,707	960,303
Total assets include:			
Property, plant and equipments	548,494	129,140	677,634
Intangible assets	18,971	54,926	73,897
Inventories	127,111	32,622	159,733
Trade and other receivables	39,020	10,019	49,039
Total assets	733,596	226,707	960,303
Total liabilities	276,744	82,067	358,811

The amounts provided to the Executive Committee with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment.

The Company's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the treasury function.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2011	**2010**
Segment liabilities for reportable segments	187,407	358,811
Unallocated:		
- Deferred income tax liabilities	90,188	68,552
- Current borrowings	75,065	104,871
- Non-current borrowings	400,000	257,200
Total liabilities per the balance sheet	752,660	789,434

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

5 Segment information (continued)

Revenues of approximately K 435,963 million (2010: K 219,496 million) are derived from the company's top 7 customers and are derived from Alcoholic beverages (K 333,988 million) and Non-alcoholic beverages (K 101,975 million).

6 Other income

	2011	2010
Interest income	1,166	749
Investment property- rental income	241	1,196
Profit on disposal of investment property	-	9,105
Profit on disposal property, plant and equipment	7,963	211
Loss on derivative financial instrument	(335)	-
Net foreign exchange gain/(loss) other than on borrowings and cash and cash equivalents	794	(5,601)
	9,829	5,660

7 Expenses by nature

Operating profit was arrived at after charging:	2011	2010
Employee benefits expense (Note 8)	70,828	65,664
Depreciation on property, plant and equipment (Note 16)	79,962	70,393
Amortisation of intangible assets (Note 17)	694	174
Receivables-provision for impairment losses	760	410
Write-down of inventories	11,349	884
Auditor's remuneration	630	595

8 Employee benefits expense

	2011	2010
The following are included within the employee benefits expense:		
Salaries and wages	59,183	54,782
Other non-cash benefits	6,132	6,904
Retirement benefits cost		
- Defined contribution scheme	4,197	2,200
- National Pension Scheme Authority	1,316	1,778
	70,828	65,664

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

9 Finance costs

	2011	2010
Interest expense:		
- Bank borrowings	61,251	42,987
	61,251	42,987
Net foreign exchange loss arising on borrowings	8,832	6,229
	70,083	49,216

10 Income tax

Current income tax	566	697
Deferred income tax (Note 15)	21,636	3,843
Income tax expense	22,202	4,540

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

	2011	2010
Profit before income tax	67,511	3,820
Tax calculated at the statutory income tax rate of 35% (2010: 35%)	23,629	1,337
Tax effect of:		
- Expenses not deductible for tax purposes	(1,427)	3,203
Income tax expense	22,202	4,540

Current income tax movement in the balance sheet

At start of the year	(20,749)	(9,914)
Charge for the year	566	697
Paid during the year	(114)	(11,532)
At end of the year	(20,297)	(20,749)

Income tax assessments have been agreed with the Zambia Revenue Authority (ZRA) up to and including the year ended 31 March 2002. A self-assessment system for income tax was introduced for periods subsequent to 31 March 2002. Income tax returns have been filed with the ZRA for subsequent years. Quarterly tax payments were made on the due dates.

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

11 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. There were no potentially dilutive shares outstanding at 31 March 2011 or 2010. Diluted earnings per share are therefore the same as basic earnings per share.

	2011	2010
Profit/(loss) attributable to equity holders of the Company	45,308	(720)
Weighted average number of ordinary shares in issue (millions)	364	364
Basic earnings/(loss) per share (in Kwacha)	124.47	(1.98)

12 Share capital

	2011	2010
Authorised 400,000,000 ordinary shares of K1 each	400	400
Issued and fully paid 364,000,000 ordinary shares of K1 each	364	364

13 Share premium

At start and at end of year	99,474	99,474

14 Borrowings

	2011	2010
The borrowings are made up as follows:		
Non-current:		
Bank loans	400,000	257,200
	400,000	257,200
Current:		
Bank overdrafts	75,065	97,245
Other borrowings	-	7,626
	75,065	104,871
Total borrowings	475,065	362,071

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

14 Borrowings (continued)

	2011	2010
Weighted average effective interest rates at the year end were:		
	%	%
- Bank overdrafts	9	13
- Bank loans	11	9
- Other borrowings	-	12

The Company has the following undrawn borrowing facilities:

	2011	2010
Floating rate –expiring within one year	51,593	9,740
Floating rate –expiring in more than one year	-	157,800

The bank loan is denominated in Zambia Kwacha, is secured by guarantee by the Company's parent company and is repayable in 2013.

	Balance at 1/4/2010	Drawdown	Repayment	Balance at 31/3/2011
Bank loans	257,200	157,800	(22,500)	400,000
Other borrowings	7,626	-	(7,626)	-

15 Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 35% (2010: 35%). The movement on the deferred income tax account is as follows:

	2011	2010
At start of year	68,552	64,709
Charge for the year	21,636	3,843
At end of year	90,188	68,552

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

15 Deferred income tax (continued)

Deferred income tax assets and liabilities, and deferred income tax charge/(credit) in the profit and loss account are attributable to the following items:

Year ended 31 March 2011	Balance at 01.04.2010	Charged/ (credited) to P&L	Balance at 31.03.2011
Deferred income tax liabilities			
Property, plant and equipment	131,156	57,717	188,873
Deferred income tax assets			
Other deductible temporary differences	1,401	(1,444)	(43)
Tax losses carried forward	61,203	37,525	98,728
	62,604	36,081	98,685
Net deferred income tax liability	68,552	21,636	90,188
Year ended 31 March 2010			
Deferred income tax liabilities			
Property, plant and equipment	66,169	64,987	131,156
Deferred income tax assets			
Other deductible temporary differences	1,460	(59)	1,401
Tax losses carried forward	-	61,203	61,203
	1,460	61,144	62,604
Net deferred income tax liability	64,709	3,843	68,552

The accumulated tax losses will expire as follows:

	Loss available	Year of expiry
At 31 March 2010	174,867,046	2015
At 31 March 2011	107,212,797	2016

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

16 Property, plant and equipment

Company

	Note	Buildings	Plant, containers &vehicles	Capital work in progress	Total
At 1 April 2009					
Cost		30,969	440,606	133,471	605,046
Accumulated depreciation		(4,311)	(159,305)	-	(163,616)
Net book amount		26,658	281,301	133,471	441,430
Year ended 31 March 2010					
At start of year		26,658	281,301	133,471	441,430
Additions		51	91,227	216,309	307,587
Disposals		-	(990)	-	(990)
Transfers		36,524	272,362	(308,886)	-
Depreciation charge		(1,332)	(69,061)	-	(70,393)
At end of year		61,901	574,839	40,894	677,634
At 31 March 2010					
Cost		67,544	727,604	40,894	836,042
Accumulated depreciation		(5,643)	(152,765)	-	(158,408)
Net book amount		61,901	574,839	40,894	677,634
Year ended 31 March 2011					
As previously stated		61,901	574,839	40,894	677,634
Prior year adjustment	27	-	15,181	-	15,181
As restated		61,901	590,020	40,894	692,815
Additions		-	20,114	41,666	61,780
Disposals		(832)	(1,161)	-	(1,993)
Transfers		931	69,192	(70,123)	-
Depreciation charge		(1,691)	(78,271)	-	(79,962)
At end of year		60,309	599,894	12,437	672,640
At 31 March 2011					
Cost		67,538	834,116	12,437	914,091
Accumulated depreciation		(7,229)	(234,222)	-	(241,451)
Net book amount		60,309	599,894	12,437	672,640

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

16. Property, plant and equipment (continued)

Cash used in the purchase of property, plant and equipment

	2011	2010
Total additions	61,780	307,587
Credit purchases	(7,476)	-
Cash used in the purchase of property, plant and equipment	54,304	307,587

17 Intangible assets

	Goodwill	Software licences	Total
At 31 March 2010			
Cost	71,987	2,084	74,071
Accumulated amortisation	-	(174)	(174)
Net book amount	71,987	1,910	73,897
At start of year	71,897	-	71,897
Additions	-	2,084	2,084
Amortisation charge	-	(174)	(174)
At end of year	71,987	1,910	73,897
At 31 March 2011			
Cost	71,987	2,084	74,071
Accumulated amortisation	-	(868)	(868)
Net book amount	71,987	1,216	73,203
At start of year	71,987	1,910	73,897
Amortisation charge	-	(694)	(694)
At end of year	71,987	1,216	73,203

Goodwill is allocated to the Company's cash-generating units (CGUs) identified according to the operating segment. A segment-level summary of the goodwill allocation is presented below

	2011			2010		
	Alcoholic beverages	Non-alcoholic beverages	Total	Alcoholic beverages	Non-alcoholic beverages	Total
Goodwill	17,061	54,926	71,987	17,061	54,926	71,987

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

17 Intangible assets (continued)

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates. The growth rates do not exceed the long-term average growth rates for the respective businesses in which the CGU's operate.

In calculating the value in use for the alcoholic and non alcoholic CGU's the company made the following assumptions:

- a weighted average annual growth rate of 3% (2010: 3%) to extrapolate cash flows beyond the budget period
- a pre-tax discount rate of 9.74% (2010: 11.99%) to the cash flow projections
- a forecasted gross margin of 36% (2010: 35%).

Management determined budgeted gross margins based on past performance and its expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

18 Inventories

	2011	2010
Raw materials	111,928	99,200
Work in progress	5,906	6,115
Finished goods	13,088	37,033
General stores and consumables	18,167	17,385
	149,089	159,733

The cost of inventories recognised as an expense and included in the 'cost of sales' amounted to K305 557 million (2010:K208,658 million).

19 Trade and other receivables

	2011	2010
Trade receivables	26,467	24,274
Less: Provision for impairment losses	(3,126)	(2,425)
	23,341	21,849
Amount due from related companies (Note 23)	416	10,926
Prepayments and other receivables	28,029	16,264
	51,786	49,039

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

19 Trade and other receivables (continued)

Movements on the provision for impairment of trade receivables are as follows:

	2011	2010
At start of year	2,425	2,175
Provision in the year	760	410
Written off during the year	(59)	(160)
At end of year	3,126	2,425

20 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	2011	2010
Cash and bank balances	22,702	107
Bank overdrafts (Note 14)	(75,065)	(97,245)
	(52,363)	(97,138)

21 (a) Trade and other payables

	2011	2010
Trade payables	20,311	15,356
Amounts due to related companies (Note 23)	70,891	242,828
Derivative financial instrument (Note 21b)	335	-
Other payables and accrued expenses	95,870	100,627
	187,407	358,811

b) Derivative financial instrument

Forward exchange contracts	335	-

The notional principal amounts of the outstanding forward contracts at 31 March 2011 were K76.3billion (2010; nil).

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

22 Cash generated from operations

Reconciliation of profit before income tax to cash generated from operations:

	2011	2010
Profit before income tax	67,511	3,820
Adjustments for:		
Interest income (Note 6)	(1,166)	(749)
Profit on disposal of investment property (Note 6)	-	(9,105)
Profit on sale of property, plant and equipment (Note 6)	(7,963)	(211)
Interest expense (Note 9)	61,251	42,987
Depreciation property, plant and equipment (Note 16)	79,962	70,393
Amortisation of intangible assets (Note 18)	694	174
Changes in working capital		
- trade and other receivables	(2,746)	(17,478)
- inventories	10,644	(28,829)
- trade and other payables	(178,860)	85,949
Cash generated from operations	29,328	146,951

23 Related party transactions

The Company is controlled by SABMiller Africa and Asia BV incorporated in the Netherlands. The ultimate parent of the Company is SABMiller plc, incorporated in the England and Wales. There are other companies that are related to Zambian Breweries Plc through common shareholdings or common directorships.

i) Purchase of goods and services:	**2011**	**2010**
From fellow subsidiaries:		
- SABMiller Africa Asia (Pty)	40,297	160,926
- South African Breweries Limited	4,549	5,538
- Sabmark International - a division of SABMiller Finance BV - Royalties	31,307	26,258
- Bevman Services AG (Management fees)	19,857	16,956
- Swaziland Breweries Limited	4,112	6,519
- Kgalagadi Breweries Limited	12,642	20,095
- Mubex	44,628	132,733
	157,392	369,025

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

23 Related party transactions (continued)

	2011	2010
ii) Outstanding balances from purchase of goods/services		
Due to fellow subsidiaries:		
- SABMiller Africa Asia (Pty)	35,336	51,213
- South African Breweries Limited	1,335	962
- Sabmark International - a division of SABMiller Finance BV – Royalties	11,842	20,743
- SABMiller PLC	3,000	-
- Swaziland Breweries Limited	1,034	795
- Kgalagadi Breweries Limited	1,191	184
- Mubex	17,153	168,931
	70,891	242,828

Trade with related entities are carried out on commercial terms

	2011	2010
Due from fellow subsidiary:		
- Heinrich's Syndicate Limited (sale of investment property)	-	10,926
- Accra Breweries Limited	416	-
	416	10,926

ii) Directors' remuneration and key management compensation

	2011	2010
Non-executive directors fees	95	158
Other emoluments (included in Key management compensation below)	1,112	1,258
Total remuneration of directors	1,207	1,416

	2011	2010
Key management compensation		
Salaries and short term emoluments	3,628	3,580
Retirement benefits cost	146	105
	3,774	3,685

24 Contingent liabilities

The Company had several pending legal proceedings at 31 March 2011. The directors having obtained appropriate legal advice are of the opinion that there will be no material losses arising from the pending legal proceedings. The value of the potential claims against the company are ZMK45,429 million (2010 – Nil).

(all amounts are in millions of Kwacha unless otherwise stated)

NOTES (continued)

25 Capital Commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	2011	2010
Property , plant and equipment	-	2,345

26 Prior year adjustment

A prior year adjustment of K15,181 million relates to the reclassification of containers from inventory to property, plant and equipment. This adjustment had no effect on the profit for the year and there was no implication for tax purposes.

27 Business re-organisation and dividend in specie

On 1 April 2010, the assets and liabilities and operations of Copperbelt Bottling Ltd, Zambia Bottlers Ltd and Northern Breweries Plc were merged into Zambian Breweries Plc. The impact on the Group's Reserves of this consolidation was nil and these three companies have since been wound up.

The net assets of the subsidiaries were transferred to Zambian Breweries Plc in form of "dividend in specie", effectively distributing the post acquisition reserves in the subsidiaries to Zambian Breweries Plc on 1 April 2010.

The group of four companies referred to as the "Group" in the prior year financial statements now operate as one company, Zambian Breweries Plc. The financial results of Zambian Breweries Plc, the company, presented in this year's financial statements are therefore comparable to the financial results of the Group presented in the prior year.

28 Comparatives

Where necessary, prior year comparatives have been reclassified in line with current year presentation.

29 Financial instruments by category

	2011	2010
Financial assets		
Trade and other receivables	51,786	49,039
Cash and bank balances	22,702	107
	74,488	49,146
Financial liabilities		
Trade and other payables	187,072	358,811
Derivative financial instruments	335	-
Borrowings	475,065	362,071
	662,472	720,882