

Registered number 08502829

Lomrho Holdings Limited

Annual Report 2021



Mission

Investing in the growth of Africa

Vision

Become a leading platform company which is able to capitalise on the growth of Sub-Saharan Africa

Corporate values

Entrepreneurship, Integrity, Accountability, Passion, Performance

Lonrho Holdings Limited

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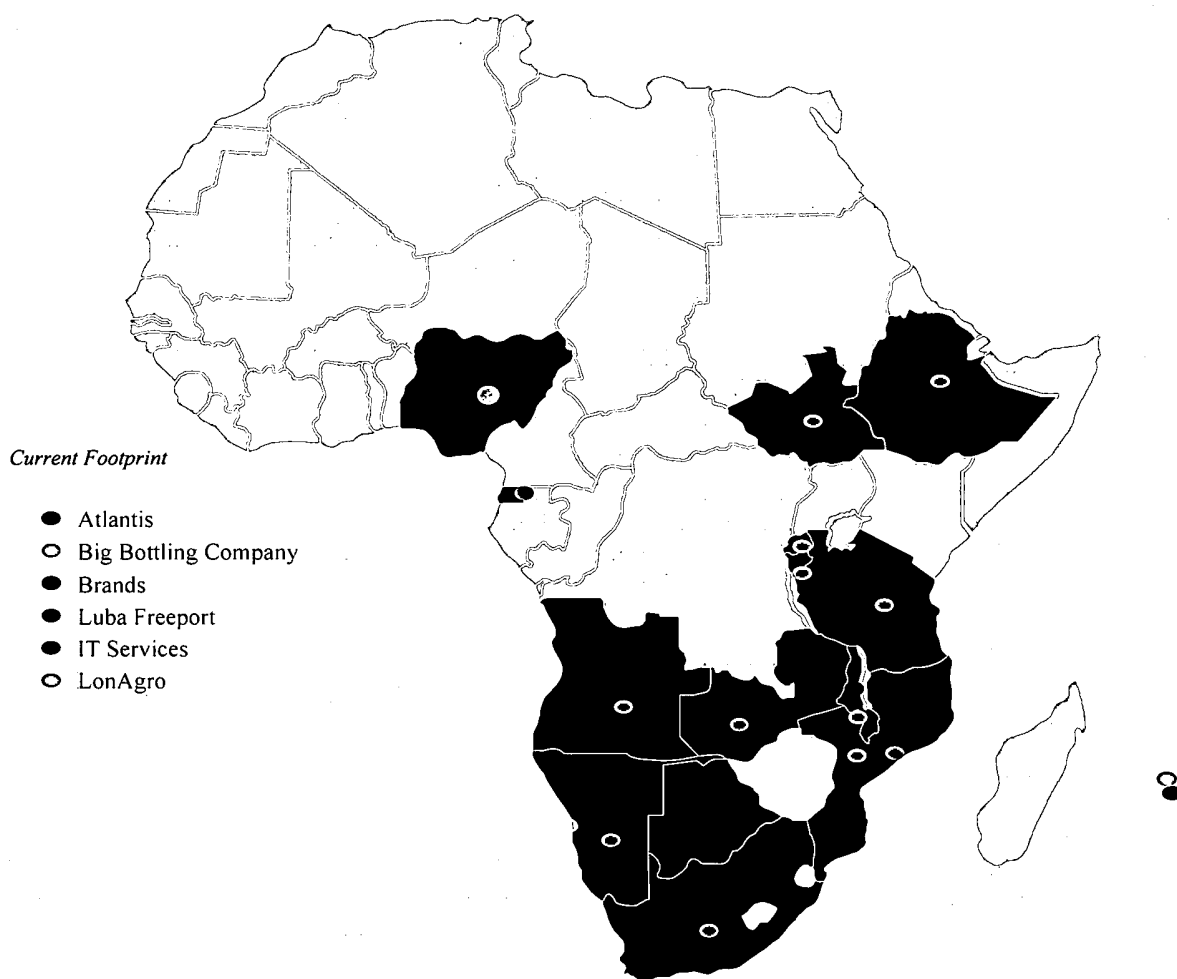
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Lonrho Overview

Lonrho is a patient capital investment holding company, focussed on investing in the growth of Africa. The company has a strong geographic presence across sub-Saharan Africa, and over 100 years of capital investment history.

Lonrho is a diversified investor, with experience and investments across three primary pillars: Food & Beverage Manufacturing and Distribution, Market Expansion Services and Infrastructure. Lonrho applies capital solely within Sub-Saharan Africa, seeking interesting opportunities and dynamic management teams.

The Group currently manages six investments, employing over 837 staff and providing a presence across fifteen African countries. The Lonrho Head-Office is located in both London and Johannesburg, South Africa with a staff compliment of 9.



Highlights of 2021

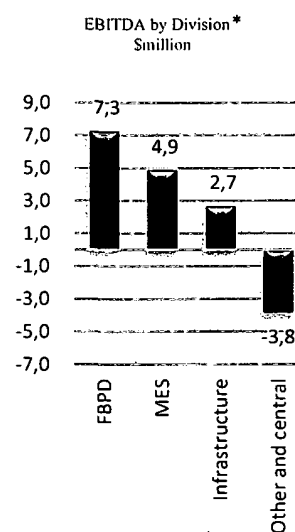
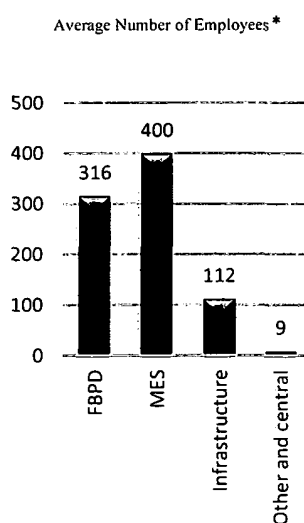
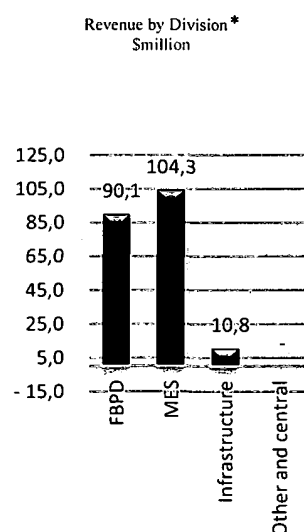
Operational highlights

- Following a challenging Covid-19 impacted 2020, the Lonrho portfolio staged a strong bounce back in 2021.
- Despite the sale of the Lonrho Logistics division in April 2021, the Group managed to achieve only a decrease of 2.0% revenue growth year on year.
- Continuing operations, made up of the Core Portfolio of Atlantis, Brands Consumer Group and Big Bottling Company, achieved 22% top line growth and generated an Operating Profit of \$2.0m (vs a loss of \$2.8m in 2020).
- The Lonrho executive continue to prioritise their focus on the growth of the Core Portfolio.

Financial highlights

- Revenue of \$205.2m in 2021 compared to \$209.3m in 2020, a decrease of 2.0%.
- EBITDA profit (before exceptional items) of \$11.1m compared to \$7.8m in the previous year.
- Exceptional costs totalling \$19.5m have resulted from the divestment of the Infrastructure, IT and Machinery divisions. These costs comprise an impairment to the Lonrho Brand of \$10.9m and an impairment of the net assets in the divisions of \$8.6m.

\$205.2m
Lonrho revenue
\$11.1m
Lonrho EBITDA
\$(16.9)m
Lonrho PAT(loss)
\$48.2m
Cash at bank at 31 December 2021



*Information in the table above represents the totals for the group(including discontinued operations).

Operating Review ...(continued)

<i>Food and Beverage Processing and Distribution (FBPD)*</i>	\$90.1m	FBPD External revenue
	\$7.3m	FBPD EBITDA

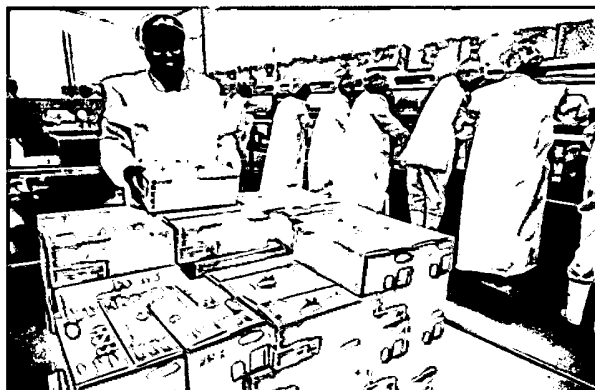
**Information in the table above represents the totals for the segment (including discontinued operations).*

Atlantis Food Holdings “Atlantis Foods”, South Africa

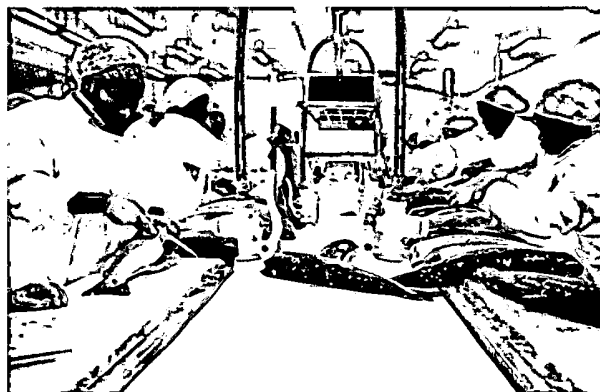
Atlantis imports, processes and distributes various frozen seafood to the South African retail, foodservice and wholesale markets.

A rebound in all three sale channels (retail, wholesale and food services) resulted in strong revenue growth of 25.8% (\$80.9m vs \$64.3m in 2020). The ability to leverage a strong inventory position created a competitive advantage as competitors struggled with supply chain issues during the year.

The combined effect was an increase in EBITDA of 64%, (\$6.9m vs \$4.2m in 2020).



As at 31 December 2021, Lonrho held a 68.44% shareholding in Atlantis Group (2020: 65.8%). The increase in shareholding was the result of the final buy-out of the Breco shareholders.



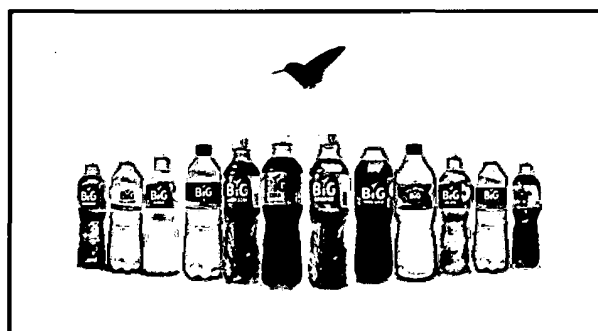
Operating Review ... (continued)

Big Bottling Company “BBC”, Nigeria

BBC is a carbonated soft drinks manufacturer and distributor based in Lagos, Nigeria.

In 2021, the business achieved an increase in its production volumes by 33% due to its two bottling lines running at high capacity for most of the year. This was the result of significant work by the management team to ensure a consistent and efficient supply chain. Combined with an average price increase the business achieved revenue growth of 38% (\$55.8m vs \$40.2m in 2020).

Unfortunately, margins remained under strain due to the continued rise of raw material costs, in particular sugar and plastic resin. The ability to secure US Dollars also remains a key risk and focus for the management team.



BBC is equity accounted and contributed an equity loss of \$0.9m for the 2021 financial year, compared to a loss of \$1.2m in the previous year.

Revenue in 2021 of \$55.8m showed an increase of 38% from the prior year of \$40.2m.

Despite increases in revenue the business continued to make losses. As a result Lonrho revised its estimates based on current forecast recognised an impairment of \$5.6m to the investment in BBC.



Operating Review ...(continued)

*Market
Expansion
Services
(MES)**

\$104.3m MES
External
revenue

\$4.9m MES
EBITDA

*Information in the table above represents the totals for the segment (including discontinued operations).

Brands Consumer Group Holdings “Brands”, Mauritius

Brands is a Fast-Moving Consumer Good distribution business which partners both international and African brand owners, enabling them to bring their products to market in Southern Africa. Our leading brand partners include Lucky Star, Beiersdorf, Premier Food, Lindt and Ferrero, to name a few.



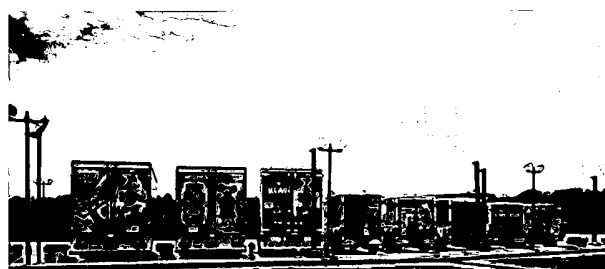
Despite a slow first half of the year, consumer demand picked up in the later stages of 2021. A shift in the basket back to higher value goods has begun, though low margin staple foods still make up a higher portion of the basket than that of pre-Covid times.

The supply chain remains a key challenge for the business as supply constraints remain on numerous products. The increase in transportation costs have also effected margins.

Integration of the Brands business into Lonrho group was a success. Unfortunately, the business was severely impacted by Covid-19 related border closures, lock-down restrictions and currency devaluations, in particular in Zambia and Malawi. Lonrho holds an 83.7% shareholding in Brands.



Despite these challenges, the business achieved an increase in revenue of 16% (\$47.9m vs 41.1m in 2020). EBITDA of \$0.9m was recorded for 2021 (vs a loss of \$0.7m in 2020).



Operating Review ... (continued)

MES IT Services

The IT Group continues to benefit from increased demand for hardware and cloud-based solutions driven by increase corporate spend and ‘work from home’ office applications.

Despite a reduction in revenues to \$24.7m from \$25.5m in the previous year, an increased EBITDA of \$3.2m was achieved (vs \$2.7 million in 2020).



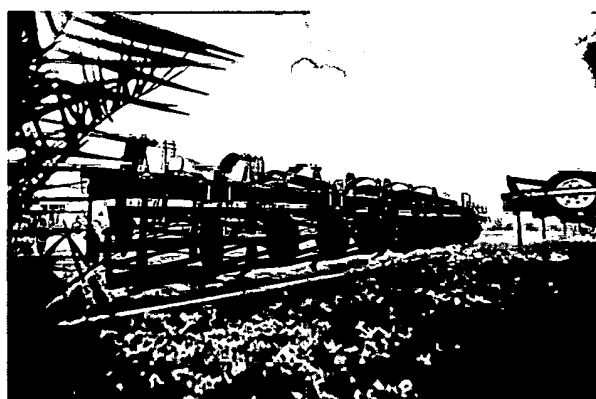
The sale of the IT Group is well advanced, and the disposal process is expected to close before the end of the first half of 2022, pending certain conditions precedent being completed.

MES Machinery “LonAgro”

LonAgro operates a dealership network across Africa.

Demand for capital goods remained weak and operational challenges were further compounded with order fulfilment problems by the OEMs.

Despite a difficult operating environment the business increased revenues to \$31.7m in 2021 (vs \$29.4m in 2020). EBITDA also turned to a profit of \$0.8m in 2021 (vs a loss of \$0.3m in 2020).



The sale of assets and operations in certain LonAgro territories are well advanced and should be finalised in the first half of 2022.

Operating Review ...(continued)

<i>Infrastructure*</i>	<u>\$10.8m</u>	Infrastructure External revenue
	<u>\$2.7m</u>	Infrastructure EBITDA

**Information in the table above represents the totals for the segment (including discontinued operations).*

Luba Freeport, Equatorial Guinea

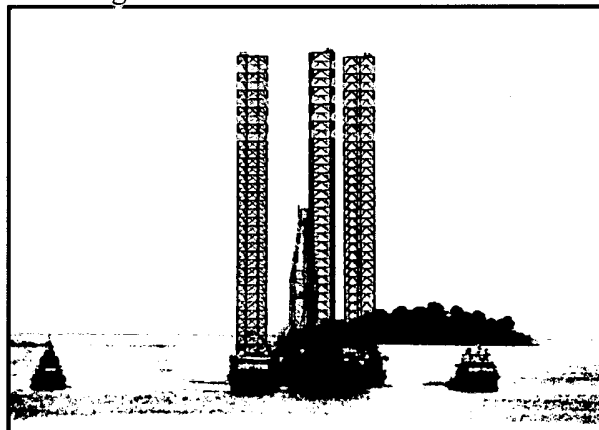
Port utilization of below 20% impacted heavily on Luba. Despite a rebound of oil and gas prices in 2021, off-shore drilling activity remained heavily subdued. It is anticipated that activity will only pick up again in the second half of 2022.

Full year revenue for 2021 of \$10.8m decreased from \$13.9m in 2020. EBITDA decreased to a profit of \$2.7m in 2021 compared to \$5.5m in 2020.



Despite a difficult environment, Luba managed to generate positive operational cash for the year.

Discussions on the divestment of Luba are advancing.



Key Financials and Performance Indicators

	2021	2020	2019	2018	2017
Extract from the financial statements (\$'m)					
Revenue	205.2	209.3	241.7	250.1	162.2
Gross profit	38.9	39.1	50.0	47.1	46.2
EBIT (before exceptionals)	3.1	(1.2)	7.2	0.2	0.1
Share of associates income(loss)	(0.9)	(1.2)	(1.3)	(1.0)	-
Net finance income(expense)	1.4	(3.1)	(0.9)	(5.7)	6.0
Attributable profit(loss)	(16.9)	(30.3)	7.0	(27.1)	4.9
Total equity attributable to shareholders	100.5	119.0	152.2	151.4	175.1
Total assets	142.6	194.6	265.3	267.1	306.9
Net indebtedness/cash	46.7	61.4	51.5	50.7	76.3
Cash generated(utilised) by operations	(10.6)	17.2	13.8	(9.7)	(4.6)
Direct and indirect employee remuneration	(19.8)	(21.1)	(22.2)	(23.6)	(22.8)
Ratios and Key Performance indicators					
Number of shares in issue(m)	649.9	649.9	640.4	640.4	640.4
Earnings per share	(2.81)	(4.78)	0.63	(3.84)	0.75
Gross profit margin (%)	19.0%	18.7%	20.7%	18.8%	28.5%
EBIT margin (%)	1.5%	(0.6%)	3.0%	0.08%	0.1%
Return on capital employed	9.6%	4.9%	7.8%	0.1%	0.1%
Return on shareholders' equity (%)	(18.1%)	(26.1%)	2.6%	(15.5%)	2.8%
Interest cover ratio	7.9	2.5	17.9	1.4	0.1
Debt equity ratio	0.3	0.4	0.5	0.5	0.2
Current asset ratio	4.0	2.3	1.8	2.3	2.5
Quick asset ratio	3.0	1.8	1.4	1.7	2.0
Average number of employees	837	957	1,106	889	779
Revenue per employee (\$'000)	245.2	218.7	218.5	281.3	209.1
Foreign exchange rate movements					
GBP/USD					
Closing rate	0.74	0.73	0.76	0.79	0.74
Average rate	0.75	0.78	0.78	0.75	0.75
ZAR/USD					
Closing rate	15.93	14.66	14.05	14.38	12.36
Average rate	15.88	16.46	14.45	13.23	13.11

Financial Review

During 2021 the Lonrho Group generated revenues of \$205.2m, showing a decrease of \$4.1m compared to 2020. Decrease in revenue is primarily driven by the sale of the Logistics division which was concluded in Q1 2021. Adjusting for the impact of Lonrho Logistics division, Group Revenue for 2021 shows growth of 12.5%

A gross margin of 19.0% shows a slight improvement from 18.7% for the same period last year.

Cost optimisation strategies implemented across the group have resulted in earnings before interest, tax, depreciation and amortisation (EBITDA) of \$11.1m versus a prior year figure of \$7.8m.

EBIT for 2021 was \$3.1m versus an EBIT(loss) in the prior year of (\$1.2m).

The fixed income portfolio yielded an income of \$0.2m which is a decrease from the \$0.3m received in the prior year, primarily due to Fed interest cuts.

Lonrho reported an improved loss after tax of (\$16.9m) compared to the prior year loss of (\$30.3m).

Cash flow and working capital

The Group has a cash balance of \$48.2m before overdrafts at 31 December 2021 (31 December 2020: \$62.7m).

External factors remain a challenge for the Group and especially local currency volatility against the US\$, but also a shortage of available foreign currency continues to limit sales and decreases cash available for use in the Group.

The Group continues to have little reliance on external funding except for Atlantis Foods and Brands. Atlantis has access to an overdraft of USD 31.1m(R200m) backed by its substantial frozen seafood inventory and accounts receivables.

Key performance indicators

The Group manages its operations on a divisional basis and key performance indicators are set at this level. The most relevant divisional KPI's as well as key Group KPI's are measured and reported on Group level, which are reviewed and discussed at each board meeting.

Outlook

2022 is set to be an exciting year for the Lonrho Group. With the conclusion of the sale of the Non-Core Portfolio, a more streamlined Lonrho will enable the executive team to turn their focus to the growth of the Core Portfolio.

A number of exciting opportunities have been identified and are being pursued at all three of our core partner businesses, including new bolt-on acquisitions to capex projects and to increase production levels.

Principal Risks and Uncertainties

<i>Description of risk</i>	<i>Impact</i>	<i>Mitigation</i>
Strategic		
Failure to successfully implement our strategy	Decreased return on investment generated Minimised benefit from future opportunities.	<ul style="list-style-type: none"> • Regular strategic reviews conducted by the Board • Oversight provided through monthly Executive Management Committee's operational review meetings • Group Investment team provides expertise and guidance
Lack of adherence to the John Deere franchise requirements	Termination of John Deere franchises.	<ul style="list-style-type: none"> • Ensure continued compliance with terms of franchise • Maintain a dialogue with John Deere to ensure advanced warning of any issues
Uncertainty over Luba Freeport's long-term operating framework	Reduction in earnings generated by Luba Freeport Potential to lose Luba Freeport for nil consideration when the current concession ends in 2028.	<ul style="list-style-type: none"> • Ongoing engagement from Board level with minority shareholders and the Government of Equatorial Guinea • Provide support to Luba Freeport Management team in developing future plans for the port • Management are in preliminary stages of a strategy to extend the concession
Strengthening relationships with local shareholders	Lack of alignment between shareholders, leading to diminished long-term value Increased complexity in managing operations and businesses.	<ul style="list-style-type: none"> • Regular engagement by Board and Investment team with all shareholders
Operational		
Supply chain disruption	Failure to get products to market.	<ul style="list-style-type: none"> • Thorough supplier monitoring ensuring prompt identification of issues, ensuring remedial action is taken • Consider alternative supply routes • Develop relationships to ensure working relationship, particularly

Principal Risks and Uncertainties

<i>Description of risk</i>	<i>Impact</i>	<i>Mitigation</i>
		with regards to effective payment terms
Key-person dependency risk	Failure to ensure business continuity planning.	<ul style="list-style-type: none"> • Identification of key-person dependencies • Mentoring, work shadowing and cross-training initiatives
Loss of customers	<p>Severe decline in revenues, particularly where a business relies upon a small number of key customers</p> <p>Where businesses are not yet at scale, there is a material impact to profit margins.</p>	<ul style="list-style-type: none"> • Identify new revenue streams, potentially through additional customers, new products or value-added service offerings • Carefully manage cost base and ensure reductions are made when necessary
Failure to attract, develop, motivate and retain talented employees	<p>Loss of key staff eliminating our internal succession planning for key roles</p> <p>Short to medium-term business disruption</p> <p>Inability to recruit high-quality individuals for key roles hinders performance</p> <p>Employees lack motivation and engagement to grow the business.</p>	<ul style="list-style-type: none"> • Formal appraisal system in place to provide regular assessments of individual performance • Identification of specific training and development needs • Staff development programmes in place across the Group • Incentivisation programmes to be developed • Succession plans to be agreed for all key positions • Improve communication with staff, particularly with regards to the long-term vision and strategy for Lonrho
Technology and systems not in place to adequately support our business operations allowing for unauthorised access such as cyber attacks	<p>Loss of competitive advantage.</p> <p>Significant downtime for operations.</p>	<ul style="list-style-type: none"> • Functions have been moved into a cloud-based model with a support from outsourced service providers
Breaching local laws and regulations	Financial and/or reputational impact for the individual business and the	<ul style="list-style-type: none"> • Group Legal Counsel involved in all key matters and contracts • Processes in place to reduce the

Principal Risks and Uncertainties

<i>Description of risk</i>	<i>Impact</i>	<i>Mitigation</i>
	wider Group.	<ul style="list-style-type: none"> potential for litigation Agreed policies to manage any issues arising, with a view to limiting Group exposure
Internal or external fraud	Financial losses incurred Restriction on our ability to deliver business plans. Damage to Group reputation, leading to a reduction in stakeholder value.	<ul style="list-style-type: none"> Ensure duties are properly segregated Imposition of secure financial controls, including payment approvals, bank and finance systems access Internal and external audits conducted, with recommendations made at both head office and subsidiary level and implemented by the Audit Committee
Covid-19	Border restrictions and global lockdowns that lead to limitations on trading.	<ul style="list-style-type: none"> Continued cost management
Financial		
Restrictions on liquidity and cash flow	Failure to meet current obligations from existing committed facilities. Unavailability of financing required to deliver budget.	<ul style="list-style-type: none"> Regular monitoring of Group cash position, cash flow and funding needs, allowing for early identification if insufficient undrawn facilities are available Continued development of the Group treasury function Maintain regular contact with lenders to ensure renegotiation of covenants is possible when necessary
Working capital management	Group funding continues to be required by existing portfolio. Weakens relationships with our customers and suppliers.	<ul style="list-style-type: none"> Continued investment and development of business unit level finance teams Finance teams to focus on working capital management Group finance function to provide support, particularly with introducing policies and procedures

Principal Risks and Uncertainties

<i>Description of risk</i>	<i>Impact</i>	<i>Mitigation</i>
Transfer pricing	Potential for regulatory intervention.	<ul style="list-style-type: none"> • Development of Group policies which can be provided to each business • Continuation of Group oversight and monitoring • Timely refresh of policies and guidelines through external tax advisors
Debt forgiveness	Leakage of cash due to tax payments.	<ul style="list-style-type: none"> • Process of capitalisation of group loans in order to prevent the triggering of debt forgiveness provisions in African jurisdictions
Failure of internal controls or accounting processes	Severe disruption to Group operations. A materially adverse effect on the Group's financial position.	<ul style="list-style-type: none"> • Continuation of independent internal and external audits, with importance placed on implementing follow-up actions • Alignment between internal audit work plan and Group's risk profile and risk management process
Foreign Exchange risk	Reduced earnings at a Group level as local trading is often denominated in local currency.	<ul style="list-style-type: none"> • Match currency of lending entity to subsidiary cash flows • Implementation of hedging arrangement where appropriate • Where practical, net offsetting foreign currency exposures between Group companies • Investment team to consider trading currencies when assessing new businesses
Counterparty/credit risk	Credit losses, reduction in future profitability and cash flow.	<ul style="list-style-type: none"> • Approved counterparties and approved credit limits with regular review
External		
Changes to governance or legal regimes	Potential for a financial and/or reputational impact if found in breach of any new regulations.	<ul style="list-style-type: none"> • The Group ensures that it obtains timely information about forthcoming changes in legislation and that it has robust procedures in place to minimise any risk of

Principal Risks and Uncertainties

<i>Description of risk</i>	<i>Impact</i>	<i>Mitigation</i>
		<ul style="list-style-type: none"> detriment or non-compliance Experienced legal and commercial teams and comprehensive knowledge of contractual regimes and fair practice The Group has a risk management programme in place, aimed at preventing issues from arising where possible and managing any that do crystallise
Oil price volatility	Reduced revenues from clients in the oil industry who reduce activities. Local economies reliant on oil sales see depressed growth.	<ul style="list-style-type: none"> Diversify customer base away from oil and gas clients Reduce cost base where there is unavoidable exposure to the oil price, maintaining margins while oil price depression continues Offer promotions to maintain sales in economies where incomes have fallen
Fluctuations in commodity pricing	Reduction in profit margins. Uncertainty in budgeting process.	<ul style="list-style-type: none"> Introduce pass-through mechanisms to end-customer where possible Manage supplier and customer relationships to mitigate impact to Lonrho, and provide time to mitigate material price changes
Political and/or security issues including policy changes or civil unrest	Reduced long-term prospects for the Group. Short-term reduction in Group's financial position.	<ul style="list-style-type: none"> Management to monitor political developments across the region Implementation of robust procedures to reduce impact on Group activities
Increasing competition	Increasingly difficult to achieve long-term growth plans. Market pressure to reduce our margins.	<ul style="list-style-type: none"> Focus on developing a strong competitive advantage in markets Training of local managers to ensure they are able to respond to these pressures, whilst supporting long-term business growth
Bribery and corruption	Corrupt actions or practices in the Group's activities leading to prosecutions or	<ul style="list-style-type: none"> Consistent ethical standards have been established and applied through the Group's anti-bribery and corruption policy, and through

Principal Risks and Uncertainties

<i>Description of risk</i>	<i>Impact</i>	<i>Mitigation</i>
	investigations, impacting on the Group's reputation and leading to a loss of stakeholder value.	contract and procurement procedures <ul style="list-style-type: none"> • Specific training provided to staff throughout the Group • Regular reviews of compliance requirements conducted with periodic Board reporting
Corporate responsibility	Loss of reputation as a good corporate citizen.	<ul style="list-style-type: none"> • Lonrho remains engaged with the global corporate responsibility programme
Reputational damage	Potential for issues with external financing, credit ratings and relations with key suppliers. Lonrho seen as a less attractive investor in the future.	<ul style="list-style-type: none"> • Our strict governance and control structure help mitigate operational concerns and investment in people ensures robust processes aim to ensure compliance with very high standards of governance • The Board regularly considers whether the right tone from the top is being maintained
Procurement of foreign currency allocations	Risk of potential non-compliance with the legal and regulatory framework applicable to the Group, through the use of third-party service providers.	<ul style="list-style-type: none"> • Adequate due diligence to be undertaken before engagement with third party service providers, in line with the Group's strict compliance measures and ABC policies • Advice from local and UK counsel obtained to ensure full compliance with the applicable legal and regulatory framework
Outbreak of Covid-19	Issues with supply chain and loss of profitability and reduced growth in the sector.	<ul style="list-style-type: none"> • Increased focus on cash management in order to conserve cash.

Corporate Sustainability

Lonrho believes that Corporate Sustainability should be a practical demonstration of its values, to help build a platform for growth across the Group and in the communities of which it is a part. Lonrho has fully aligned all Group policies and procedures to ensure positive communication and support the development of all employees.

Training and development

Lonrho believes that the diverse nature of its workforce is an asset and it continues to foster an inclusive culture. The Group is passionate about investing in employees to provide formal and on-the-job training and creating opportunities for internal promotion. Through this work it contributes to addressing skill deficits within local communities. Due to its operational diversity, Lonrho provides staff training in a wide range of different skills, including accountancy, procurement, foreign languages, health and safety, security, food preparation and dangerous goods handling.

Health and safety

The health and wellbeing of Lonrho's employees is of foremost importance, and the Board's commitment to ensuring safety across all operations is ongoing. Lonrho manages such risks through the implementation of the Group health and safety policy and procedures, and takes a proactive, responsive approach to local health concerns. As part of this commitment, regular tests are conducted, and appropriate external standards are maintained for emergency equipment and training, with particular risks identified and acted upon. Lonrho is proud to foster a culture of shared responsibility for safety and wellbeing and invests in the training and equipment required to fulfil this. It also encourages each business to develop strategies to improve their employees' safety and wellbeing.

Diversity and inclusion

Lonrho employs people from 18 different nationalities, providing significant diversity that benefits the Group. The policy of employing local nationals wherever possible, coupled with an emphasis on encouraging internal promotion, allows Lonrho to offer staff challenging career opportunities regardless of their age, ethnicity, religion or gender. The development of open and transparent communication across the Group has led to a strong sense of unity and inclusion. The Board aims to set a clear example of open dialogue, replicated in each of the operational businesses through Workers' Committees, regular business reviews and operations meetings.

Good labour relations/employee engagement

It is vital to ensure good relationships with employees, contractors and the labour unions that represent them is maintained, both for Lonrho employees and for the Group's long-term development. Lonrho recognises workers' rights to union membership and collective bargaining and takes a proactive approach to ongoing dialogue with workers and their representatives.

Supporting local communities

Lonrho intends to be a considerate investor with respect for, and commitment to, local communities. Throughout the Group, Lonrho seeks to actively address community concerns, risks, and impacts in consultation with all stakeholders including local communities, NGOs, government organisations and industry partners.

Lonrho places great emphasis on transparency and the development of open and ongoing dialogue to understand both community and regional issues. It makes community-specific investments across the Group, including supporting local schools and community buildings, improving the supply of quality healthcare and meeting waste management needs.

Conducting business with integrity

Ethical behaviour is a fundamental value of Lonrho and it is the responsibility of all employees to uphold corporate values and conduct themselves with integrity at all times.

Lonrho complies with all legislative and regulatory requirements of the countries and regions in which it operates. Its advocacy for a culture of transparency and responsible citizenship includes support for associations, advocacy groups and institutions that bring together stakeholder groups at a global, regional and local level.

Anti-bribery and corruption

Lonrho Group has zero tolerance to bribery and corruption, which is reflected in Group policy. This commitment originates from the Board and the high standard is filtered through to staff in every division across all Lonrho's operations.

As part of this policy, all Lonrho employees are required to sign the anti-bribery and corruption and Speak Out policies. Additionally, training and refresher training is provided for the entire Group on these topics, and the effectiveness of the implementation of the policies is routinely monitored. The Lonrho Group conducts regular audits through means of dip testing and any areas of risk are carefully observed.

Each business has appointed a Compliance Manager, reporting to the Group Head of Compliance (Chief Legal Officer) who in turn reports into the Audit Committee on compliance related matters. Compliance Manager meetings are held regularly to review the effectiveness of the policies in every division.

As an illustration of the importance the Company places on this area, anti-bribery and corruption remains a standard item for the Board and Audit Committee meeting agenda.

Strengthening the local economy

Lonrho currently operates in 14 countries across the African continent and contributes to local communities by providing a source of employment and generating wealth, as well as benefiting local economies through direct taxation and payments to employees.

Environmental sustainability

Lonrho is determined to play a role in protecting the environment, and works to foster a culture of stewardship, through which employees and businesses understand and act upon the impact their operations can have upon the environment. As a Group, Lonrho is committed to undertaking steps to prevent and reduce such impacts, to utilise resources efficiently and use responsible technology.

The UK's Modern Slavery Act (MSA) 2015

Lonrho fully recognises and supports the importance of this UK legislation, which came into force in October 2015. Lonrho is actively working with its divisions on this topic.

Streamlined Energy and Carbon Reporting (SECR) Statement

The total UK energy use, electricity, gas and fuel usage, was below 40MWh for our offices situated in London. The Group is classifiable as a low energy user under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. This statement is also relevant for all the Group's UK subsidiaries. All Group subsidiaries outside the UK are out of scope of the above-mentioned regulation.

Corporate Information

Directors

Christopher M. Chambers - Chairman
Rainer-Marc Frey - Vice Chairman
Dr Johannes Fritz (resigned 1 March 2021)
Amine Tazi-Riffi
Dr Frank Richter (appointed 1 March 2021)
Jean-Claude Garo (appointed 24 June 2021)

Secretary and registered office

Ashleigh Woolf
20-22 Wenlock Road
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Tel: +44 (0) 20 7016 5105
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Website: www.lonrho.com

Registered in England
Registered number 08502829

Auditors

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Principal Group Bankers

Barclays Bank Plc
48-50 Lord Street
Liverpool
L2 1TD

Corporate Governance Statement

UK Corporate Governance Code and compliance

Lonrho is committed to good corporate governance across the Group, for which the whole Board is accountable.

The principal governance rules applying to UK companies listed on the London Stock Exchange are contained in the UK Corporate Governance Code published by the Financial Reporting Council and are available on their website www.frc.org.uk.

The Directors recognise the value of the Code and, while full compliance is not required with Lonrho Holdings Limited (LHL) being a private company, the Directors have considered the recommendations and applied insofar as it is practicable and appropriate for a company of its size.

The Company will continue to monitor its corporate governance framework to ensure that it remains appropriate for the Company, having regard to the scale and complexity of its business.

Directors Report for year ended 31 December 2021

The Directors are pleased to submit their report, together with the audited financial statements, for the year ended 31 December 2021.

The Company

Lonrho Holdings Limited is a company incorporated in England & Wales, with company number 08502829.

It was incorporated on 24 April 2013 as FS Africa Limited for the acquisition of Lonrho Plc, which was completed on 19 July 2013, the Company changed its name to Lonrho Holdings Limited on 2 August 2013.

It conducts very limited business activities on its own account and trades principally through its subsidiary undertakings in various jurisdictions. The principal subsidiary undertakings are listed in note 35 on pages 58-62.

Results and dividend

The Group results for the year ended 31 December 2021 are set out on page 21.

The Directors do not recommend the payment of a dividend.

Directors

The Directors who were in office at the end of the period and their interests in the ordinary shares of the Company are shown below:

As at 31 December 2020	No. of shares
Rainer-Marc Frey (Class A)	275,000,000
Christopher Chambers (Class B)	5,500,000
Dr Frank Richter	Nil
Amine Tazi-Riffi	Nil
Jean-Claude Garo	Nil

Mr Jean-Claude Garo represents the interests of 192,500,000 Class A ordinary shares owned by BIH SA, which is ultimately 100% owned by Thomas Schmidheiny.

Dr Frank Richter represents the interests of 50,000,000 Class A ordinary shares owned by SKion GmbH, which is ultimately 100% owned by Susanne Klatten.

All of the above interests are recorded in the Company's Register of Directors' Share and Debenture Interests. No Director has a beneficial interest in the shares or debentures of any of the Company's subsidiary undertakings.

Share capital on 31 December 2021	No. of shares
A ordinary shares of \$0.5 each	517,500,000
B ordinary shares of \$0.5 each	122,940,000
C ordinary shares of \$0.01 each	9,450,000

The A, B and C shares rank pari passu, save that the B and C shares have no voting rights. There are no restrictions on transfer or limitations on the holding of the ordinary shares.

Directors Report(continued)

Exercise of control

The powers of the Directors are contained in the Company's Articles of Association. These include powers, subject to relevant legislation, to authorise the issue of the Company's shares by the Company, subject to authority being given to the Directors by the shareholders in general meeting.

The rules about the appointment and replacement of Directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by the shareholders in accordance with legislation in force from time to time.

Insurance

The Company has Directors and Officers Liability Insurance cover for Group Directors.

Statement of Directors' responsibilities in respect of the Annual Report, Strategic Report, the Directors' Report and the financial statements

The Directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

To the best of our knowledge:

- the group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Directors Report(continued)

Going concern

The Group's forecast and projections, considering possible changes in trading performance, together with mitigating actions that are within management's control, show that the Group is expected to be able to operate as a going concern for the foreseeable future.

Section 172 Statement

The Directors detail below how they have considered the interest of key stakeholders and broader matters as set out in section 172(1) (A) to (F) below:

(A) The likely consequences of any decisions in the long term:

In a large organisation such as ours the Directors fulfil their duties partly through the governance framework that delegates the day-to-day decision to the executive management team. Regular board meeting combined with both shareholder and shareholder involvement allow the company to ensure the actions taken by the Group align with the strategy of being a long-term patient capital participant across a diversified range of markets.

(B) The interest of the company's employees:

The success of our business depends on attracting, retaining and motivating our employees. The Group is committed to remaining a responsible employer for pay and benefits to ensure a healthy and safe working environment.

(C) The need to foster the company's business relationships with suppliers, customers and others:

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments and other partners. By having a diversified portfolio partnering with entrepreneurial management teams the Group has the ability to maintain key stakeholder relationships.

(D) The impact of the company's operations on the community and the environment:

The Group's focus is growth in Africa and in doing so utilising our resources to create positive change for the people and the communities within which we interact.

(E) The desirability of the company maintaining a reputation for high standards of business conduct: and

The Group holds a brand of Lonrho which has over 100 years of capital investment history. The Directors are updated on compliance during regular board meetings. The Group compliance department engage with the divisions on a monthly basis to ensure any risks are identified and addressed accordingly.

(F) The need to act fairly between shareholders of the company

After considering of all relevant factors, the Directors identify the best course of action enables delivery of the Group's strategy through the long term which considering the impact on stakeholders.

The Directors are carefully monitoring cash resources across the Group and have instigated a number of initiatives to ensure funding will be available for planned projects.

Impact of Covid-19

The Directors do not expect the future impact on the group to be significant and determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. COVID-19 has disrupted the supply chain of the business's where there are delays in meeting orders in a timely manner, however management plans to ensure sufficient inventory levels to deal with unplanned supply chain delays

Subsequent events

The Group has seen a solid start to its 2022 financial year with a return to profitability by the end of Q1 2022. The Directors alongside the management teams remain focused on cash preservation and commitment to maintaining optimisation cost strategies. During Q1 2022 the Company entered into an agreement to sell the non-core assets of the group, including the non-operating dormant entities. Refer to note 36 for further details.

Directors Report(continued)

Following the careful review of ongoing performance, and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for the foreseeable future.

Scope of the reporting in this Annual Report and the financial statements

The Board has prepared a Strategic Report which provides an overview of the development and performance of the Company's business in the year ended 31 December 2021 and its position at the end of that period, and which covers likely future developments in the business of the Company and Group.

Directors' Report

When drafting the Strategic Report, the Board has considered social, environmental and ethical risks, in line with the best practice recommendations of the Association of British Insurers. Management, led by the Group COO, under the guidance of the Board have responsibility for identifying and managing such risks, which are discussed extensively in this report and the financial statements.

External auditors

So far as each Director is aware, there is no information relevant to the audit of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any such information and to ensure that the Company's auditors are aware of that information.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

By order of the Board



Ashleigh Woolf
Company Secretary

6/7/2022

Registered Office:
20-22 Wenlock Road
London
N1 7GU

Independent auditor's report to the members of Lonrho Holdings Limited

Opinion

We have audited the financial statements of Lonrho Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We understood how the group is complying with legal and regulatory frameworks by making enquiries of management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board and audit committee minutes;
- To obtain an understanding of legal and regulatory requirements specific to the entities within the group we held discussions with all component auditors requesting that they consider any requirements of specific significance using their expertise of the requirements in the respective countries in which the Group operates;
- The Group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, distributable profits legislation, tax legislation, anti-bribery legislation, data protection legislation and employment law;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet
 - potential management bias in determining accounting estimates, especially in relation to the calculation of impairment of non-current assets and fair value calculations
 - potential management bias in the calculation of provisions
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those posted directly to the consolidation that increased revenue or that reclassified costs from the income statement to the balance sheet;
 - performing testing of inputs into management's impairment calculations and obtaining an auditor's expert to review inputs to these calculations where required;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - testing the completeness of the group's related party transactions through information obtained at the parent and component entities and testing that these transactions had a valid business purpose;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulator entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
- No matters about non-compliance with laws and regulations were communicated to the engagement team. No matters of fraud, or suspected fraud, which could result in a material misstatement of the financial information were communicated to the engagement team;
- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements. No such matters were identified by the component auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Nicholas Watson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

6/7/2022

Consolidated Income Statement

For the year ended 31 December 2021 and year ended 31 December 2020

Year ended 31 December 2021				Year ended 31 December 2020			
Notes	Continuing operations \$m	Discontinued operations* \$m	Total \$m	Continuing operations \$m	Discontinued operations* \$m	Total \$m	
Revenue	5	128.8	76.4	205.2	105.3	104.0	209.3
Cost of sales		(111.2)	(55.1)	(166.3)	(91.8)	(78.4)	(170.2)
GROSS PROFIT		17.6	21.3	38.9	13.5	25.6	39.1
Other operating income		2.6	0.3	2.9	0.9	0.3	1.2
Operating costs	6	(18.2)	(20.5)	(38.7)	(17.2)	(24.3)	(41.5)
OPERATING PROFIT/(LOSS)		2.0	1.1	3.1	(2.8)	1.6	(1.2)
Earnings before interest, tax, depreciation and amortisation**		4.0	7.1	11.1	(0.6)	8.3	7.8
Depreciation and amortisation	12,13,28	(2.0)	(6.0)	(8.0)	(2.2)	(6.7)	(9.0)
Finance income	9	1.2	2.2	3.4	0.7	0.6	1.3
Finance expense	9	(0.3)	(1.7)	(2.0)	(1.3)	(3.1)	(4.4)
Impairment of assets held for sale	23	0.0	(3.0)	(3.0)	0.7	(10.0)	(9.3)
Impairment of Lonrho Brand	12	0.0	(10.9)	(10.9)	(16.3)	0.0	(16.3)
Impairment of the investment in associate		(5.6)	0.0	(5.6)	0.0	0.0	0.0
Share based costs	27	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Share of associates	15	(0.9)	0.0	(0.9)	(1.2)	0.0	(1.2)
(LOSS)/PROFIT BEFORE TAX		(3.6)	(12.3)	(15.9)	(20.3)	(10.9)	(31.2)
Income tax charge	10	(2.0)	1.0	(1.0)	1.7	(0.8)	0.9
(LOSS)/PROFIT FOR THE YEAR		(5.6)	(11.3)	(16.9)	(18.6)	(11.7)	(30.3)
ATTRIBUTABLE AS FOLLOWS:							
(LOSS)/PROFIT FOR THE YEAR		(5.6)	(11.3)	(16.9)	(18.6)	(11.7)	(30.3)
Owners of the Company	24	(7.5)	(10.7)	(18.2)	(19.7)	(11.3)	(31.0)
Non-controlling interests	24	1.9	(0.6)	1.3	1.1	(0.4)	0.7
EARNINGS PER SHARE							
Basic (loss)/profit per share (cents)	11			(2.81)			(4.78)
Diluted (loss)/profit per share (cents)	11			(2.81)			(4.78)

* During 2021 the Infrastructure and IT divisions as detailed in note 23 were identified as held for sale and have been disclosed as discontinued operations. This has resulted in the comparative 2020 numbers being restated from previously reported.

** The Directors have defined earnings before interest, tax, depreciation, amortisation and impairment, a non-GAAP measure, as a key profit performance as explained in Note 4.

The notes on pages 36-72 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021 and year ended 31 December 2020

	Note	Year ended 31 December 2021		Year ended 31 December 2020			
		Continuing operations \$m	Discontinued operations \$m	Total \$m	Continuing operations \$m	Discontinued operations \$m	Total \$m
Profit/(loss) for the year		(5.6)	(11.3)	(16.9)	(19.3)	(11.0)	(30.3)
Other comprehensive income							
Foreign exchange translation differences*	24	(1.3)	(0.7)	(2.0)	2.6	(7.4)	(4.8)
		(1.3)	(0.7)	(2.0)	2.6	(7.4)	(4.8)
Total comprehensive income/(loss)		(6.9)	(12.0)	(18.9)	(16.7)	(18.4)	(35.1)
ATTRIBUTABLE TO:							
Owners of the Company		(7.5)	(12.0)	(19.5)	(17.1)	(18.4)	(35.5)
Non-controlling interests		0.6	0.0	0.6	0.4	0.0	0.4
Total comprehensive income/(loss)		(6.9)	(12.0)	(18.9)	(16.7)	(18.4)	(35.1)

* Item may be reclassified subsequently to profit and loss.

The notes on pages 36-72 are an integral part of these financial statements.

Consolidated and Company Statements of Changes in Equity

For the year ended 31 December 2021 and year ended 31 December 2020

	Attributable to equity holders of the parent								Total equity \$m
	Share capital \$m	Share premium \$m	Translation reserve \$m	Share option reserve \$m	Capital redemption reserve	Retained earnings \$m	Total \$m	Non- controlling interest \$m	
AT 1 JANUARY 2020	320.2	320.7	(8.2)	1.6	0.1	(482.2)	152.2	25.9	178.1
Change in profit	-	-	-	-	-	(31.0)	(31.0)	0.7	(30.3)
Foreign exchange translations	-	-	(4.5)	-	-	-	(4.5)	(0.3)	(4.8)
Total comprehensive income	0.0	0.0	(4.5)	0.0	0.0	(31.0)	(35.5)	0.4	(35.1)
Share based payments	-	-	-	0.1	-	-	0.1	-	0.1
Shares waived	-	-	-	(0.4)	-	-	(0.4)	-	(0.4)
Increased shareholding in subsidiary	-	-	-	-	-	2.6	2.6	(2.6)	-
Non-controlling interest dividends	-	-	-	-	-	-	-	(0.9)	(0.9)
AT 31 DECEMBER 2020	320.2	320.7	(12.7)	1.3	0.1	(510.6)	119.0	22.8	141.8
Change in profit/(loss)	-	-	-	-	-	(18.2)	(18.2)	1.3	(16.9)
Foreign exchange translations	-	-	(1.3)	-	-	-	(1.3)	(0.7)	(2.0)
Total comprehensive income	-	-	(1.3)	-	-	(18.2)	(19.5)	0.6	(18.9)
Derecognition of non-controlling interest	-	-	-	-	-	-	-	(9.3)	(9.3)
Increased shareholding in subsidiary	-	-	-	-	-	1.0	1.0	(1.0)	-
Non-controlling interest dividends	-	-	-	-	-	-	-	(0.9)	(0.9)
AT 31 DECEMBER 2021	320.2	320.7	(14.0)	1.3	0.1	(527.8)	100.5	12.2	112.7

The notes on pages 36-72 are an integral part of these financial statements. Refer to note 24 for Capital and reserves note.

The Company had total equity brought forward of \$141.8m (2020: \$178.1m). During the year the Company had issued share capital of \$nil (2020: \$nil), repurchased and cancelled shares of \$nil(2020: \$nil), dividends received of \$0.0m(2020 : \$0.0m), and a loss for the year of \$16.9m (2020: \$30.3m) resulting in total equity carried forward of \$112.7m (2020: \$141.8m). Refer to note 24 for further details.

Consolidated and Company Statements of Financial Position

As at 31 December 2021 and 31 December 2020

	Notes	Group		Company	
		31 December 2021 \$m	31 December 2020 \$m	31 December 2021 \$m	31 December 2020 \$m
ASSETS					
Intangible assets	12	3.3	14.9	-	-
Property, plant and equipment	13	10.1	37.3	-	-
Investments in associates	15	10.0	16.5	-	-
Loans receivable	17	9.9	1.5	-	-
Right of use asset	30	1.0	1.9	-	-
Deferred tax assets	18	1.3	2.0	-	-
TOTAL NON-CURRENT ASSETS		35.6	74.1	-	-
Inventories	19	27.4	23.4	-	-
Trade and other receivables	20	24.6	32.0	8.8	8.1
Cash at bank	21	48.2	62.7	40.5	41.5
Other financial assets	22	3.8	1.6	-	-
Asset held for sale	23	3.0	0.8	-	-
TOTAL CURRENT ASSETS		107.0	120.5	49.3	49.6
TOTAL ASSETS		142.6	194.6	49.3	49.6
EQUITY					
Share capital	24	320.2	320.2	320.2	320.2
Share premium account	24	320.7	320.7	320.7	320.7
Share option reserve	24	1.3	1.3	1.3	1.3
Capital redemption reserve	24	0.1	0.1	0.1	0.1
Translation reserve	24	(14.0)	(12.7)	-	-
Retained earnings	24	(527.8)	(510.6)	(593.3)	(593.0)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		100.5	119.0	49.0	49.3
Non-controlling interests	24	12.2	22.8	-	-
TOTAL EQUITY		112.7	141.8	49.0	49.3
LIABILITIES					
Loans and borrowings	25	0.8	1.3	-	-
Lease liability	30	1.0	1.4	-	-
Deferred tax liabilities	18	1.4	3.7	-	-
Trade and other payables	28	0.1	12.6	-	-
TOTAL NON-CURRENT LIABILITIES		3.3	19.0	-	-
Bank overdraft	21, 25	1.5	1.3	-	-
Lease liability	30	0.4	1.4	-	-
Loans and borrowings	25	1.9	3.4	-	-
Trade and other payables	28	22.3	27.0	0.3	0.3
Provisions	29	0.1	0.1	-	-
Tax liability		0.4	0.6	-	-
TOTAL CURRENT LIABILITIES		26.6	33.8	0.3	0.3
TOTAL LIABILITIES		29.9	52.8	0.3	0.3
TOTAL EQUITY AND LIABILITIES		142.6	194.6	49.3	49.6

The notes on pages 36-72 are an integral part of these financial statements. These financial statements were approved by the Board of Directors and authorised for issue on 6/7/2022. They were signed on its behalf by Christopher M. Chambers Company number: 08502829

Consolidated and Company Statements of Cash Flows

For the year ended 31 December 2021 and year ended 31 December 2020

	Note	Group		Company	
		31 December 2021 \$m	31 December 2020 * \$m	31 December 2021 \$m	31 December 2020 \$m
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) for the year		(16.9)	(30.3)	(0.3)	(0.8)
Adjustments	31	9.6	24.7	(0.2)	0.7
Loss from discontinued operations		11.3	13.1	-	-
CASH FLOWS FROM CONTINUING OPERATING ACTIVITIES BEFORE MOVEMENTS IN WORKING CAPITAL		4.0	7.5	(0.5)	(0.1)
Change in inventories		(5.6)	3.4	-	-
Change in trade and other receivables		(1.1)	7.2	(0.7)	-
Change in trade and other payables		(7.8)	1.0	-	-
CASH GENERATED (UTILISED) BY CONTINUING OPERATIONS		(10.5)	19.1	(1.2)	(0.1)
Interest received		0.5	0.6	0.2	0.3
Interest paid		(0.4)	(0.4)	-	-
Income tax paid		(1.7)	(1.8)	-	-
NET CASH GENERATED (UTILISED) BY CONTINUING OPERATING		(12.1)	17.5		
NET CASH GENERATED (UTILISED) BY DISCONTINUED OPERATION		1.5	(0.3)		
NET CASH FROM OPERATING ACTIVITIES		(10.6)	17.2	(1.0)	0.2
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of property, plant and equipment	13	(0.2)	(1.1)	-	-
Disposal of subsidiary		0.8	-	-	-
Acquisition of minority interest	14	(1.0)	(2.6)	-	-
NET CASH FROM CONTINUING INVESTING ACTIVITIES		(0.4)	(3.7)		
NET CASH FROM DISCONTINUED INVESTING ACTIVITIES		(0.8)	(0.3)		
NET CASH FROM INVESTING ACTIVITIES		(1.2)	(4.0)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of lease liabilities		(1.5)	(0.8)	-	-
Dividends paid to non-controlling interest		-	(0.9)	-	-
Waiver of share options		-	(0.4)	-	(0.4)
NET CASH FROM CONTINUING FINANCIAL ACTIVITIES		(1.5)	(2.1)		
NET CASH FROM DISCONTINUED FINANCIAL ACTIVITIES		(1.0)	(0.9)		
NET CASH FROM FINANCING ACTIVITIES		(2.5)	(3.0)	-	(0.4)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(14.3)	10.2	(1.0)	(0.2)
Opening cash and cash equivalents		61.4	51.5	41.5	41.7
Foreign exchange movements		(0.4)	(0.3)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21	46.7	61.4	40.5	41.5

* Cash flow statement for December 2020 restated to disclose discontinued operations separately.

The notes on pages 36-72 are an integral part of these financial statements.

Notes to the Financial Statements

1. Reporting entity

Lonrho Holdings Ltd (the 'Company') is a company incorporated and domiciled in the UK. The consolidated financial statements of the Company for the year ended 31 December 2021 comprise of the Company and its subsidiaries (together referred to as the 'Group').

The financial statements were authorised for issue by the Directors on

2. Basis of preparation

Statement of compliance

Both the Parent Company and the consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. On publishing the Parent Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in section 408(4) of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements. The result of the Company is disclosed in note 24 to the accounts.

The Group has assessed the differences in application of IFRS (IASB) and UK-adopted international accounting standards and confirmed that there are no differences that would impact the financial statements if IFRS (IASB) was applied.

Going concern

The Group's forecast and projections, considering possible changes in trading performance, together with mitigating actions that are within management's control, show that the Group is expected to be able to operate as a going concern for the foreseeable future.

The Directors are carefully monitoring cash resources across the Group and have instigated a number of initiatives to ensure funding will be available for planned projects.

Following the careful review of ongoing performance, and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operational existence for the foreseeable future. The Group is also well positioned to capitalise on the potential increase in demand that is expected once the hard lockdown measures are lifted and the initial impact of the virus has stabilised. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

Functional and presentation currency

The financial statements are presented in US Dollars which is the Company's functional currency. All financial information presented has been rounded to the nearest \$0.1m. The primary functional currency of the consolidated entities the South African Rand ("ZAR"). Revenues and expenses are translated at the average rate for the period. Translation gains and losses are reporting in accumulated other comprehensive income in total equity.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IAS16: Property Plant and Equipment – proceeds before intended use (issued on 22 October 2019 and effective for periods on or after 1 January 2022)
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets - cost of fulfilling onerous contracts (issued on 1 September 2020 and effective for periods on or after 1 January 2022)
- Amendments to IAS1 – classification of liabilities as current and non-current (issued on 23 January 2020 and effective for periods on or after 1 January 2023)

None of the above standards are effective and therefore have not been applied in the financial statements.

Use of estimates and judgements

The preparation of financial statements in conformity with UK adopted IFRS requires Management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements made by Management in the application of UK adopted IFRS that have significant effect on the financial statements are:

- The determination of the functional currencies of subsidiaries (note 3(d)) is based on the currency of the primary economic environment in which the subsidiary operates.
- The determination of the useful life of intangible assets (note 3(c)).
- The recognition of potential corporate, value added and employee tax provisions, the timing and amount of which are uncertain. Management have analysed the present obligations that exist with regards to tax exposures in the various jurisdiction's that the Group operates. The provisions included estimates for consulting advice, as well as interest and penalties that the Group had been historically exposed to.

Estimates made by Management in the application of Adopted IFRS that have significant effect on the financial statements are:

- The valuation of intangible assets, detail surrounding the key assumptions in the valuation have been provided in note 12.
- The treatment of the deferred equity scheme (note 27).

The timing of revenue recognition is not subject to significant uncertainty.

3. Significant accounting policies

The accounting policies set out below have been applied consistently in these consolidated financial statements. The accounting policies have been applied consistently in both the current and prior years by Group entities.

(a) Accounting policy changes

There are no significant changes to accounting policies across the Group in the year.

(b) Basis of consolidation**Subsidiaries**

The consolidated financial statements incorporate the financial statements of Lonrho Holdings Ltd and entities controlled by Lonrho Holdings Ltd and its subsidiaries. Lonrho Holdings Ltd (the Company) controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The portion of a non-controlling interest is stated at the non-controlling interest's proportion of the fair values of the assets and liabilities recognised. Subsequently, losses applicable to the non-controlling interest in excess of the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group where the non-controlling interest has a specific exemption from making an additional investment to cover the losses. Future profits attributable to the non-controlling interest are not recognised until the unrecognised losses have been extinguished.

The results of entities acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries and businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5, which are recognised and measured at fair value less costs to sell.

Associates and joint ventures and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly controlled entities are those entities whose activities the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than right to its assets and obligations for its liabilities.

Investments in associates and jointly controlled entities are accounted for under the equity method and are usually recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The Company records interests in associates, joint ventures and jointly controlled entities initially at cost and thereafter at cost less provisions for impairment.

Business combinations

Goodwill arising on acquisition is initially measured at cost, being the excess of the fair value of the consideration over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

When the excess is negative the identified fair values are reassessed to ensure that all acquired assets and liabilities have been recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the fair value of the consideration, the excess is recognised immediately in the income statement. The interest of non-controlling interests in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

When a business combination is achieved in stages, the Group's previously held interest in the acquired entity are re-measured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in the profit or loss. When the consideration for the acquisition includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in the business combination. Changes in the fair value of the contingent consideration are adjustments against goodwill.

(c) Intangible assets

The Group determines whether goodwill and other intangible assets are permanently impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value may not be recoverable. This requires an estimation of the recoverable amount of the cash-generating unit to which the assets are allocated. Estimating the value in use requires the Group to make an estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Goodwill

Positive goodwill arising on consolidation is recognised as an asset. Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measured at cost less accumulated impairment losses. The recoverable amount is estimated at each reporting date. Any impairment loss is recognised immediately in the income statement and is not subsequently reversed when the carrying amount of the asset exceeds its recoverable amount.

Any impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then, to reduce the carrying amount of other assets in the unit (groups of units) on a pro rata basis.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Other intangible assets

Other intangible assets are measured initially at cost and are amortised on a straight-line basis over their estimated useful lives except for brands, which are assessed as having indefinite useful lives. All other intangible assets are tested for impairment annually and are reduced by any provision for impairment where necessary.

On a business combination, identifiable intangible assets that are separable or arise from contractual or other legal rights are also included in the acquisition statement of financial position at fair value.

Amortisation of intangible assets is charged on a straight-line basis over their useful economic life, on the following basis:

Brands	Indefinite useful lives
Software	3 years - 10 years
Development costs	5 years - 10 years
Customer relationships	5 years - 10 years
Franchises	5 years
Customer contracts	Life of the contract

(d) Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in US Dollars, which is the functional currency of the Company, and the presentational currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions denominated in foreign currencies are translated into the respective functional currency of the Group entities using the exchange rates prevailing at the dates of transactions. Non-monetary assets and liabilities are translated at the historic rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains, and losses are recognised directly in equity are also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expense are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case weighted average rates are used. Exchange differences arising, if any, are classified in equity and are transferred to the Group's foreign currency translation reserve within equity. Such translation is recognised as income or as expense in the period in which the operation is disposed of.

All foreign exchange gains or losses that are reflected in the income statement are presented within financing income or expense.

(e) Taxation

The tax expense represents the sum of current tax and deferred tax.

Current taxation

Current tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on the investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates substantially enacted at the reporting date, that apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(f) Investments

The Group's investments in equity securities that are not associates or joint ventures are classified as either available-for-sale financial assets or assets at fair value through profit and loss. This designation is made on acquisition of individual investments. For available-for-sale financial assets subsequent to initial recognition, they are measured at fair value or cost where fair value cannot be assessed and changes therein, other than impairment losses (see below), are recognised directly in equity. When an investment is de-recognised, the cumulative gain or loss in equity is transferred to the income statement. For assets at fair value through profit and loss, subsequent to initial recognition they are measured at fair value and changes recognised within gains/losses on other investments in the income statement.

Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(g) Property, plant and equipment

Long leasehold land and buildings are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets (less estimated residual values updated annually), other than long leasehold land, over their estimated useful lives, on the following basis:

Long leasehold land and buildings	2% of cost
Short leasehold land and buildings	Over the term of the lease
Plant and machinery	10% of cost
Fixtures and fittings	15% - 25% of cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement for the year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, over the relevant lease term.

Bearer plants are classified as plant and machinery and valued at historical cost less accumulated depreciation and accumulated impairment losses.

(h) Impairment of assets (excluding goodwill, inventories and deferred tax assets)

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation increase.

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation increase.

(i) Financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated recoverable amounts are recognised in the income statement when there is a significant increase in credit risk.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(j) Capital management

The Board's policy for the Group and Company is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and (where applicable) direct expenditure and attributable overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(l) Share-based payments

The cost of any equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the awards that eventually vest.

(m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(n) Dividends

Interim dividends are recognised directly in reserves when paid and final dividends are recognised as liabilities in the period in which they are approved by shareholders.

(o) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(p) Revenue recognition

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group enters into wide range of transactions involving a range of products and services, for example sourcing and distributing of seafood, agricultural and construction equipment and logistics services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

(q) Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. For contracts entered into before 1 January 2019, the Company determined whether the arrangement contained a lease by analysing whether the arrangement related to a specific asset and whether the Company had the right to control the use of that asset.

The Company recognised the right to use asset which is measured at the present value of the remaining lease payments, plus any initial direct costs incurred and costs to dismantle and remove the underlying asset or restore the underlying asset or site on which it is located, and discounted using the incremental borrowing rate. The Company has elected to not recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months and or less, and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right of use asset is subsequently depreciated using the straight-line method, from the date of implementation to the end of its lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the date of implementation, using the interest rate implicit in the lease, or if the rate cannot be readily determined, the Company's incremental borrowing rate.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(s) Earnings per share

Basic earnings per share is calculated based on the weighted average number of ordinary shares outstanding during the year. Diluted loss per share is based upon the weighted average number of shares in issue throughout the year, adjusted for the dilutive effect of potential ordinary shares. The potential dilutive ordinary shares in issue are employee share options.

(t) Reportable segments

Segments are determined to be the lowest operational segment that the Chief Operating Decision Maker (CODM) evaluates the result of the segment and allocates resources to that segment. This is based on the Group's internal organisation and the financial information provided to the CODM.

(u) Assets and liabilities classified as held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale, once certain criteria per IFRS 5 are met. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

4. Segment reporting

The Chief Operating Decision Maker (CODM) is deemed to be the Executive Management Committee which monitors the results of the business segments to assess performance and make decisions about the allocation of revenues. Segment performance is evaluated on:

Revenue

Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)

Segment results, assets and liabilities include items directly attributable to a segment as well as those that are allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Inter-segment pricing is determined on an arm's length basis.

Business segments

The Group has three core continuing reportable segments which are organised around the basis of products and services which they provide:

- Food and Beverage Processing and Distribution (FPB&D)
- Market Expansion Services (MES)
- Infrastructure

The central division includes head office costs that are not allocated to the operating divisions.

Geographical analysis

All of the segments operate in various parts of Sub-Saharan Africa.

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Business Segments

Year ended 31 December 2021

	FPB&D \$m	MES \$m	Infrastructure \$m	Core operating divisions \$m	Central \$m	Continuing operations \$m	Discontinued divisions \$m	Total \$m
External revenue	80.9	47.9	-	128.8	-	128.8	76.4	205.2
Inter-segment revenue	-	-	-	-	-	-	-	-
SEGMENT REVENUE	80.9	47.9	-	128.8	-	128.8	76.4	205.2
Earnings before interest, tax, depreciation, amortisation and impairment	7.0	0.9	-	7.9	(3.9)	4.0	7.1	11.1
Depreciation and amortisation	(0.8)	(0.7)	-	(1.5)	(0.5)	(2.0)	(6.0)	(8.0)
SEGMENT RESULT	6.2	0.2	-	6.4	(4.4)	2.0	1.1	3.1
Net finance income	0.4	0.6	-	1.0	0.2	1.2	2.2	3.4
Net finance expense	(0.1)	(0.2)	-	(0.3)	-	(0.3)	(1.7)	(2.0)
Exceptional	(5.6)	-	-	(5.6)	-	(5.6)	(13.9)	(19.5)
Share of associates	(0.9)	-	-	(0.9)	-	(0.9)	0.0	(0.9)
PROFIT/(LOSS) BEFORE TAX	-	0.6	-	0.6	(4.2)	(3.6)	(12.3)	(15.9)
Income tax credit/(charge)	(1.6)	(0.2)	-	(1.8)	(0.2)	(2.0)	1.0	(1.0)
PROFIT/(LOSS) FOR THE YEAR	(1.6)	0.4	-	(1.2)	(4.4)	(5.6)	(11.3)	(16.9)
Depreciation of segment assets	(0.8)	(0.7)	-	(1.5)	(0.5)	(2.0)	(6.0)	(8.0)
Capital Expenditure	0.1	0.1	-	0.2	-	0.2	0.8	1.0

Year ended 31 December 2021

	FPB&D \$m	MES \$m	Infrastructure \$m	Core operating divisions \$m	Central \$m	Continuing operations \$m	Discontinued divisions \$m	Total \$m
Segment operating assets	50.3	19.2	-	69.5	0.0	69.5	-	69.5
Unallocated assets	-	-	-	-	70.1	70.1	3.0	73.1
TOTAL ASSETS	50.3	19.2	-	69.5	70.1	139.6	3.0	142.6
Segment operating liabilities	17.4	10.1	-	27.5	2.4	29.9	-	29.9
TOTAL LIABILITIES	17.4	10.1	-	27.5	2.4	29.9	-	29.9
Depreciation of segment assets	(0.8)	(0.7)	-	(1.5)	(0.5)	(2.0)	(6.0)	(8.0)
Capital expenditure	0.1	0.1	-	0.2	-	0.2	0.8	1.0

Geographical analysis

	Sub-Saharan Africa \$m	Rest of World \$m	Total \$m
Revenue by location of external customers	205.2	0.0	205.2
Net assets/(liabilities)	42.0	70.7	112.7
Capital expenditure	1.0	0.0	1.0

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Business Segments

Year ended 31 December 2020 *restated

	FPB&D \$m	MES \$m	Infrastructure \$m	Core operating divisions \$m	Central \$m	Continuing operations \$m	Discontinued divisions \$m	Total \$m
External revenue	64.2	41.1	-	105.3	0.0	105.3	104.0	209.3
Inter-segment revenue	-	-	-	-	-	-	-	-
SEGMENT REVENUE	64.2	41.1	-	105.3	-	105.3	104.0	209.3
Earnings before interest, tax, depreciation, amortisation and impairment	4.3	(0.5)	-	3.8	(4.3)	(0.5)	8.3	7.8
Depreciation and amortisation	(0.9)	(0.9)	-	(1.8)	(0.5)	(2.3)	(6.7)	(9.0)
SEGMENT RESULT	3.4	(1.4)	-	2.0	(4.8)	(2.8)	1.6	(1.2)
Net finance income	0.3	-	-	0.3	0.4	0.7	0.6	1.3
Net finance expense	(0.2)	(1.0)	-	(1.2)	(0.1)	(1.3)	(3.1)	(4.4)
Share based payments	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Impairment of assets	-	-	-	-	(15.6)	(15.6)	(10.0)	(25.6)
Share of associates	(1.2)	-	-	(1.2)	-	(1.2)	-	(1.2)
PROFIT/(LOSS) BEFORE TAX	2.3	(2.4)	-	(0.1)	(20.2)	(20.3)	(10.9)	(31.2)
Income tax credit/(charge)	(1.0)	-	-	(1.0)	2.7	1.7	(0.8)	0.9
PROFIT/(LOSS) FOR THE YEAR	1.3	(2.4)	0.0	(1.1)	(17.5)	(18.6)	(11.7)	(30.3)

Year ended 31 December 2020*restated

	FPB&D \$m	MES \$m	Infrastructure \$m	Core operating divisions \$m	Central \$m	Continuing operations \$m	Discontinued divisions \$m	Total \$m
Segment operating assets	55.8	17.8	-	73.6	0.0	73.6	45.1	118.7
Unallocated assets	0.0	0.0	0.0	0.0	75.9	75.9	0.0	75.9
TOTAL ASSETS	55.8	17.8	-	73.6	75.9	149.5	45.1	194.6
Segment operating liabilities	17.9	8.6	0.0	26.5	6.7	33.2	19.7	52.9
TOTAL LIABILITIES	17.9	8.6	0.0	26.5	6.7	33.2	19.7	52.9
Depreciation of segment assets	(0.7)	(0.7)	0.0	(1.4)	(0.5)	(1.9)	(5.9)	(7.8)
Capital expenditure	0.10	0.10	0.00	0.2	0.00	0.2	0.80	1.0

Geographical analysis

	Sub-Saharan Africa \$m	Rest of World \$m	Total \$m
Revenue by location of external customers	209.3	0.0	209.3
Net assets	72.6	69.2	141.8
Capital expenditure	1.4	0.0	1.4

5. Revenue

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Production of whole goods	77.9	64.2
Services	12.2	35.2
<i>Food and beverage processing and distribution</i>	90.1	99.4
Retail	31.7	29.4
Distribution	47.9	41.1
IT solutions	24.7	25.5
<i>Market expansion services</i>	104.3	96.0
Port services	10.8	13.9
<i>Infrastructure</i>	10.8	13.9
Total revenue	205.2	209.3

The Company generates various sources of revenue from its divisions. This has represented in the above table with comparatives to prior year being revised to reflect this.

6. Group operating costs

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Cost of sales	(166.3)	(170.2)
Operating costs	(38.7)	(41.5)
	(205.0)	(211.7)
INCLUDED IN OPERATING COSTS ABOVE ARE:		
Depreciation (note 13, 30)	(8.0)	(9.0)
Staff costs (Note 8)	(19.8)	(21.1)
Inventories recognised as an expense in the period	(61.7)	(55.1)

7. Auditor's remuneration

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Fees payable to the Company's auditors for the audit of the Company's annual accounts	-	0.1
AMOUNTS RECEIVABLE BY THE AUDITORS AND THEIR ASSOCIATES IN RESPECT OF:		
The audit of the consolidated group pursuant to legislation	0.3	0.3
The audit of the statutory subsidiaries pursuant to legislation	0.2	0.2
TOTAL FEES PAYABLE TO THE COMPANY'S AUDITORS	0.5	0.6

The non-audit fees in the year were \$0.0m (2020: \$0.1m).

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8. Staff numbers

The aggregate remuneration comprised (including Directors):

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Wages and salaries	19.0	20.3	-	-
Compulsory social security contributions	0.7	0.7	-	-
Pensions	0.1	0.1	-	-
	19.8	21.1	-	-

The average number of employees (including Directors):

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Food Supply Chain Management	316	327	-	-
Market Expansion Services	400	495	-	-
Infrastructure	112	121	-	-
Central	9	14	-	-
	837	957	-	-

Remuneration of Directors:

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Statutory Directors Remuneration	235	233
AT 31 DECEMBER	235	233

Name of Director	Base salaries and fees \$	Pensions \$	Bonuses \$	Benefits in kind and taxable expenses \$	Total 31 December 2021 \$	31 December 2020 \$
Chairman						
Christopher Chambers	206,381	4,300	Nil	24,723	235,404	233,999
Director						
Rainer-Marc Frey	Nil	Nil	Nil	Nil	Nil	Nil
Amine Tazi-Riffi	75,000	Nil	Nil	Nil	75,000	75,000
Dr. Frank Richter	Nil	Nil	Nil	Nil	Nil	Nil
Jean-Claude Garo	Nil	Nil	Nil	Nil	Nil	N/A

9. Net finance expense

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Bank interest	0.6	0.6
Foreign exchange gain	2.8	0.7
Fair value gain on call option	-	-
FINANCE INCOME	3.4	1.3
Interest on loans repayable within five years and overdrafts	(0.8)	(1.3)
Foreign exchange loss	(1.2)	(3.1)
FINANCE EXPENSE	(2.0)	(4.4)
NET FINANCE INCOME (EXPENSE)	1.4	(3.1)

10. Income tax expense

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Recognised in income statement		
CURRENT TAX EXPENSE		
Overseas	-	-
Prior period - overseas	-	-
Current period	2.0	1.3
Prior period	-	0.1
Other taxes	0.1	0.1
Withholding tax	0.2	(0.1)
DEFERRED TAX		
Tax losses derecognised	0.5	1.8
Origination and reversal of temporary differences	(1.9)	(4.4)
Movement in prior year deferred tax liability	-	-
Reduction in tax rate	0.2	0.3
TOTAL INCOME TAX CHARGE IN THE INCOME STATEMENT	1.0	(0.9)

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Reconciliation of effective tax rate		
Profit/(Loss) before tax	(15.9)	(31.2)
Income tax using the domestic UK Corporation Tax rate of 19.00% (2019: 19.00%)	(3.3)	(5.9)
Irrecoverable withholding taxes	0.2	-
Effect of tax rates in foreign jurisdictions	0.3	0.6
Losses not recognised as a deferred tax asset	(0.3)	2.7
Fair value gain on associate not taxable	-	-
Non-deductible expenses	3.8	1.8
Share of profit from associates	0.2	0.2
Other taxes paid	(0.1)	(0.3)
Disposal of subsidiaries	-	-
Deferred tax rate changes	0.2	-
Prior year adjustment - current tax	-	-
Prior year adjustment – release of tax provision	-	-
TOTAL TAX CHARGE	1.0	(0.9)

UK Corporation Tax is calculated at a rate of 19.00% (2020: 19.0%) of the estimated assessable profit(loss) for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Recognised in other comprehensive income and equity

There is no material taxation effect arising on transactions recorded in other comprehensive income and equity.

11. Earnings per share

The calculation of the basic and diluted profit per share is based on the following data:

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Profit(Loss) for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	(18.2)	(31.0)
(Loss)/Profit for the purposes of diluted earnings per share	(18.2)	(31.0)
Number of shares (m)		No.
Weighted average number of ordinary shares for the purposes of basic earnings per share		649.9
Effect of dilutive potential ordinary shares:		
- Share options		-
Weighted average number of ordinary shares for the purposes of diluted earnings per share*		649.9

* The calculation of diluted earnings per share is based on the weighted average number of shares outstanding.

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Profit(loss) per share (cents)	(2.81)	(4.78)
Diluted profit(loss) per share (cents)	(2.81)	(4.78)

As per note 27, a deferred equity scheme was introduced in 2018. In the prior year the number of shares that had vested as at 30 June 2020 in total was 14.2m. The number of shares that were exercised was 9.4m. No new shares were issued in 2021.

12. Intangible assets

	Goodwill \$m	Development costs \$m	Franchises \$m	Customer contracts \$m	Customer relationships \$m	Brands \$m	Contractual rights \$m	Computer software \$m	Total \$m
COST									
Balance at 1 January 2021	230.8	0.6	3.1	7.6	52.1	56.4	36.8	1.0	388.4
Additions (2021)	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	(0.4)	(0.4)
Effect of movements in foreign exchange	(0.2)	-	-	-	(0.3)	-	-	(0.1)	(0.6)
Balance at 31 December	230.6	0.6	3.1	7.6	51.8	56.4	36.8	0.5	387.4
AMORTISATION AND IMPAIRMENT									
Balance at 1 January 2021	(229.2)	(0.6)	(3.1)	(7.6)	(50.0)	(45.5)	(36.8)	(0.7)	(373.5)
Impairment	-	-	-	-	-	(10.9)	-	-	(10.9)
Amortisation (2021)	-	-	-	-	(0.3)	-	-	(0.1)	(0.4)
Disposals	-	-	-	-	-	-	-	0.4	0.4
Effect of movements in foreign exchange	0.1	-	-	-	0.2	-	-	-	0.3
Balance at 31 December	(229.1)	(0.6)	(3.1)	(7.6)	(50.1)	(56.4)	(36.8)	(0.4)	(384.1)
CARRYING AMOUNTS									
At 31 December 2020	1.6	-	-	-	2.1	10.9	-	0.3	14.9
At 31 December 2021	1.5	-	-	-	1.7	-	-	0.1	3.3

Amortisation and impairment charge

The Group tests intangibles with an indefinite useful economic life on an annual basis or more frequently if there are indicators that they might be impaired. The recoverable amount of a CGU is determined based on the higher of value-in-use calculations using cash flow projections and fair value less costs to sell if appropriate. The cash flow forecasts are based on financial budgets and long-range plans approved by Management and the Board covering a three-year period which are prepared as part of the Group's normal planning process. Cash flows for years four and five are based on year three performance escalated for growth rates determined for each individual company considering historic and future compounded annual growth rates. Cash flows beyond the five-year period are extrapolated using estimated long-term growth rates. Management estimates the discount rates using pre-tax rates that reflect the current market assessments of the time value of money and the risks specific to the units. If the recoverable amount is estimated to be less than the carrying amount of the CGU, it is reduced to its recoverable amount. Any impairment is recognised immediately as an expense. Due to the change in strategy to focus on the core portfolio within the Food and Beverage processing sector, the Company reviewed the value to be attributed to the Lonrho Brand. The Lonrho Brand was calculated on acquisition in 2013 supported by the many diverse companies. With the reduction in the portfolio and the impending sale of the last of all the divisions acquired, the Board concluded that the Lonrho Brand should be fully impaired.

13. Property, plant and equipment

	Land and buildings \$m	Plant and machinery \$m	Fixtures and fittings \$m	Total \$m
COST				
Balance at 31 December 2019	96.7	32.1	5.4	134.2
Additions	0.0	1.1	0.3	1.4
Disposals	0.0	(0.4)	0.0	(0.4)
Effect of movements in foreign exchange	(3.9)	(3.8)	(1.8)	(9.5)
Balance at 31 December 2020	92.8	29.0	3.9	125.7
Additions	0.0	0.8	0.2	1.0
Disposals	(85.8)	(21.3)	(3.4)	(110.5)
Effect of movements in foreign exchange	(0.1)	(0.7)	0.0	(0.8)
Balance at 31 December 2021	6.9	7.8	0.7	15.4
AMORTISATION AND IMPAIRMENT				
Balance at 31 December 2019	(61.5)	(21.5)	(4.1)	(87.1)
Depreciation charge for the year	(4.2)	(1.6)	(0.4)	(6.2)
Disposals	0.0	0.4	0.0	0.4
Impairment of assets	0.0	0.0	0.0	0.0
Effect of movements in foreign exchange	1.2	2.0	1.3	4.5
Balance at 31 December 2020	(64.5)	(20.7)	(3.2)	(88.4)
Depreciation charge for the year	(4.7)	(1.3)	(0.4)	(6.4)
Disposals	69.7	15.4	(0.9)	84.2
Effect of movements in foreign exchange	(0.5)	1.8	4.0	5.3
Balance at 31 December 2021	0.0	(4.8)	(0.5)	(5.3)
CARRYING AMOUNTS				
At 31 December 2020	28.3	8.3	0.7	37.3
At 31 December 2021	6.9	3.0	0.2	10.1

Plant and machinery

At 31 December 2021, the net carrying amount of leased assets was \$nil (2019: \$nil).

Land and buildings

The majority of the land and buildings category is the assets of Luba Freeport in the infrastructure division with a carrying value of \$0.0m (2020: \$25.8m). It relates to a Port Concession Agreement with the Republic of Equatorial Guinea and is a joint venture with Compania Navional de Guinea Ecautorial, it is depreciated on a straight-line basis over the life of the concession. During 2021 with Luba classified as held for sale the land buildings has been derecognised.

Assets in the course of construction

Included within plant and machinery are assets in the course of construction totalling \$0.0m (2020: \$3.2m), which are not depreciated until they are brought into use.

Capital commitments

Details of capital commitments in relation to property, plant and equipment are disclosed in note 33.

Borrowing costs

The amount of borrowing costs in respect of interest capitalised during the year was \$nil (2020 \$nil).

14 Acquisition of subsidiary

During 2020 the Group invested a further \$1.0m in Atlantis to increase its shareholding from 65.8% to 68.4%. The Group classifies Atlantis as a subsidiary since its acquisition in 2017 and has been consolidated accordingly. The transaction concluded in 2021 has resulted in a decreased in the non-controlling interest for Atlantis by \$1.0m.

15. Investment in associates

On the 1 August 2018 the Group acquired a 43.6% equity interest in Duet Big Beverage Africa Holdings Limited. The ultimate subsidiary of this company is Big Bottling Company Limited (BBC), previously known as AJEAST Nigeria Limited. Lonrho holds a 37.04% effective interest in this company. Lonrho recognises its investment in its associate as an equity accounted investment and is therefore carried under the equity method.

BBC is registered in Nigeria and is a carbonated soft drink manufacturer and distributor, with headquarters and operations based in Lagos. The investment in BBC is accounted for using the equity method in accordance with IAS28. BBC is a private company; therefore, no quoted market prices are available for its shares.

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
At beginning of the year	16.5	17.7
Share of loss after taxation	(0.9)	(1.2)
Impairment	(5.6)	-
AT 31 DECEMBER	10.0	16.5

During 2021 management reforecast the expected trading and operations of BBC. These reforecasts were used in a valuation exercise that employed the DCF method from the income approach, with dependence on variables such as budgeted future profits and the weighted average cost of capital. The valuation exercise for the period ended 2021 applied a 21.6% weighted average cost of capital. Based on the valuation performed the Group reported an impairment of \$5.6m in its investment in BBC.

The following is summarised financial information for BBC for December 2021:

	Year ended 31 December 2021 \$m	Year ended 31 December 2020 \$m
Revenue	60.0	40.2
Post tax profits(loss)	(2.6)	(3.2)
Non-current assets	26.9	26.5
Current assets	10.7	9.4
Total Assets	37.6	35.9
Non-current liabilities	-	-
Current liabilities	21.7	21.7
Total liabilities	21.7	21.7
Net assets	15.9	14.2

Included in current assets is \$1.1m of cash and cash equivalents (2020 \$1.9m).

16. Investment in subsidiaries

The principal investment by the Company is in respect of Lonrho Limited (100% owned) and Lonrho Africa Holdings Ltd (81.8% owned with the remainder owned by Lonrho Limited). Investments are recognised initially at cost. A list of principal subsidiaries is set out in note 35. The Company's investment in the subsidiary is subject to annual impairment testing. The investment in subsidiary has previously been impaired to nil (2020 \$nil).

17. Loan receivables

	2021 \$m	2020 \$m
Loans receivable	1.8	1.5
Luba receivable	6.0	-
Other financial assets	2.1	-
	9.9	1.5

18. Deferred tax assets and liabilities

The principal investment by the Company is in respect of Lonrho Limited (100% owned) and Lonrho Africa Holdings Ltd.

Recognised deferred tax assets and liabilities

	Assets		Liabilities	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
At beginning of the year	2.2	3.2	(3.7)	(6.3)
Rate change impact	(0.3)	-	-	-
Acquired through business combinations	-	-	-	-
Origination and reversal of temporary differences	0.8	(1.2)	2.3	2.6
Tax losses derecognised	(0.5)	-	-	-
Movement in prior year	(0.2)	-	-	-
Exchange differences	(0.7)	-	-	-
AT 31 DECEMBER	1.3	2.0	(1.4)	(3.7)

The deferred tax asset relates to previous trading losses in certain Group companies. The asset will be recoverable in future periods, which is supported by the future cash flows of the relevant businesses.

19. Inventories

	2021 \$m	2020 \$m
Raw materials and consumables	0.0	0.6
Finished goods	27.4	22.8
	27.4	23.4

20. Trade and other receivables

	Group		Company	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
Amounts receivable from the sale of goods and services	22.2	26.5	-	-
Other receivables	2.5	3.4	-	-
Prepayments and accrued income	0.3	3.6	-	-
Amounts owed by Group undertakings	0.0	0.0	8.8	8.1
Gross trade and other receivables	25.0	33.5	8.8	8.1
Allowance for doubtful debts	(0.4)	(1.5)	-	-
Net trade and other receivables	24.6	32.0	8.8	8.1

The Directors consider the carrying amount of trade and other receivables for the Group and Company approximates to their fair value. No interest is charged on receivables. The trade debtors at both Brands Consumer Group and Atlantis Foods Holding (Pty) Limited are both pledged as security for their borrowings.

	2021 \$m	2020 \$m
Movement in provision for expected credit losses		
At beginning of the year	1.5	1.7
movement in allowance	(1.3)	(1.4)
Utilised	0.2	1.2
AT 31 DECEMBER	0.4	1.5

Refer to note 32 for further information on credit risk management.

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21. Cash at bank

	2021 \$m	2020 \$m
Bank balances	48.2	62.7
Bank overdrafts	(1.5)	(1.3)
Cash and cash equivalents in statement of cash flows	46.7	61.4

The Company had a bank balance of \$46.7m (2020: \$61.4m) at 31 December 2021.

22. Other financial assets

	2021 \$m	2020 \$m
Loans receivable	1.3	1.6
The Big Bottling Company	1.0	-
VAT receivable	1.5	-
	3.8	1.6

23. Asset held for sale

	2021 \$m	2020 \$m
Assets held for sale	3.0	0.8

Assets held for sale in 2021 relates to the Luba division in the Infrastructure segment and the IT division in Market Expansion Services segment. During 2021 the Group decided to divest of these 2 divisions at which point the assets were designated held for sale leading to an impairment of \$2.9m, of which \$1.2m can be allocated to the sale of the LonAgro division.

Assets held for sale in 2020 relates to the Logistics division in the FPB&D segment and the LonAgro division in Market Expansion Services segment. During 2020 the Group decided to divest of these 2 divisions at which point the assets were designated held for sale leading to an impairment of \$9.3m.

	2021 \$m	2020 \$m
Cash	11.0	1.6
Deferred tax	0.6	0.5
Property, Plant and Equipment	25.1	4.1
Leased assets	0.3	3.0
Inventory	11.4	7.4
Receivables	40.1	36.8
Payables	(42.5)	(32.5)
Other provisions	(8.1)	(0.2)
Leased liability	(0.5)	(4.0)
Loans	(12.4)	(6.6)
Fair value adjustment for 2020	(9.7)	-
	15.3	10.1
Derecognition of non-controlling interest	(9.3)	-
<i>Carrying value of disposal group</i>	<i>6.0</i>	<i>10.1</i>
Fair value of disposal groups	3.0	0.8
Impairment recognised	(3.0)	(9.3)

24. Capital and reserves**Group reconciliation of movement in capital and reserves**

	Attributable to equity holders of the parent							Non-controlling interest \$m	Total equity \$m
	Share capital \$m	Share premium \$m	Translation reserve \$m	Share option reserve \$m	Capital redemption reserve	Retained earnings \$m	Total \$m		
AT 1 JANUARY 2020	320.2	320.7	(8.2)	1.6	0.1	(482.2)	152.2	25.9	178.1
Profit for the year	-	-	-	-	-	(31.0)	(31.0)	0.7	(30.3)
Share based payments	-	-	-	0.1	-	-	0.1	-	0.1
Shares waived options	-	-	-	(0.4)	-	-	(0.4)	-	(0.4)
Increased shareholding in subsidiary	-	-	-	-	-	2.6	2.6	(2.6)	-
Non-controlling interest dividends	-	-	-	-	-	-	-	(0.9)	(0.9)
Foreign exchange translations	-	-	(4.5)	-	-	-	(4.5)	(0.3)	(4.8)
AT 31 DECEMBER 2020	320.2	320.7	(12.7)	1.3	0.1	(510.6)	119.0	22.8	141.8
Profit for the year	-	-	-	-	-	(18.2)	(18.2)	1.3	(16.9)
Increased shareholding in subsidiary	-	-	-	-	-	1.0	1.0	(1.0)	-
Derecognition of non-controlling interest	-	-	-	-	-	-	-	(9.3)	(9.3)
Non-controlling interest dividends	-	-	-	-	-	-	-	(0.9)	(0.9)
Foreign exchange translations	-	-	(1.3)	-	-	-	(1.3)	(0.7)	(2.0)
AT 31 DECEMBER 2021	320.2	320.7	(14.0)	1.3	0.1	(527.8)	100.5	12.2	112.7

The translation reserve comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into USD. Retained earnings includes all current and prior periods profits. During 2020 the company issued 9.4m shares at \$0.001 each for a total cost of \$9,450.

Share capital and share premium

In millions of 50 cent (\$US) shares	Ordinary shares	
	2021	2020
At beginning of the year	649,890,000	640,440,000
Issued for cash	-	9,450,000
IN ISSUE AT 31 DECEMBER - FULLY PAID	649,890,000	649,890,000

Share capital represents the nominal value of shares that have been issued. The holders of ordinary shares are entitled to receive dividends as declared from time to time. On 31 December 2020, there were 517,500,000 (2020: 517,500,000) class A ordinary shares, 122,940,000 (2020: 122,940,000) class B ordinary shares in issue and 9,450,000 (2020: 9,450,000) class C ordinary shares in issue. The A, B and C shares rank pari passu save that the B and C shares have no voting rights. Share premium includes any premiums received on issue of share capital.

Company reconciliation of movement in capital and reserves

	Share capital \$m	Share premium \$m	Capital redemption reserve	Share option reserve \$m	Retained earnings \$m	Total \$m
AT 31 DECEMBER 2019	320.2	320.7	0.1	1.6	(592.2)	50.4
Profit for the year	-	-	-	-	(0.8)	(0.8)
Issue of shares	-	-	-	-	-	-
Waiver of share options	-	-	-	(0.4)	-	(0.4)
Share based payment charge	-	-	-	0.1	-	0.1
AT 31 DECEMBER 2020	320.2	320.7	0.1	1.3	(593.0)	49.3
Profit for the year	-	-	-	-	(0.3)	(0.3)
AT 31 DECEMBER 2021	320.2	320.7	0.1	1.3	(593.3)	49.0

25. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 32

	2021 \$m	2020 \$m
NON-CURRENT LIABILITIES		
Bank loans	-	(0.1)
Other loans	(0.8)	(0.7)
Shareholder loans	-	(0.6)
	(0.8)	(1.3)
CURRENT LIABILITIES		
Bank loans	-	-
Other loans	(0.2)	(0.8)
Shareholder loans	(1.7)	(2.7)
Bank overdrafts	(1.5)	(1.3)
	(3.4)	(4.7)

At the reporting date, the Company had interest-bearing loans of \$nil (2020: \$nil). Non-current loans of \$0.8m (2020: \$0.7m) relate to amounts owed by Atlantis to the Trust companies. Current shareholder loans of \$1.7m (2020: \$2.7m) relate to loans owed to minority shareholders in Atlantis Group.

Bank overdrafts

Bank overdrafts are repayable on demand and are unsecured. The currency profile is as follows:

	2021 \$m	2020 \$m
South African Rand	-	(0.6)
United States Dollar	-	0.0
Botswana Pula	1.5	1.8
Tanzanian Shilling	-	0.0
	1.5	1.3

The weighted average interest rates paid were 8.0% (2020: 8.0%).

26. Shareholder loans

	2021 \$m	2020 \$m
Shareholder loans	(1.7)	(3.3)

27. Deferred equity scheme

During 2018 the Group introduced a deferred equity scheme, which allows members of the scheme the option of subscribing for 14.2 million class C shares over a 3-year period at the exercise price of \$0.001. The shares options carry no voting rights, and the option to purchase shares vest in 3 tranches. During 2019 the Group recognised an expense of \$1.6m relating to the deferred equity, resulting in an overstatement of expenses in 2019 of \$1.3m. As at 31 December 2020, 14.2m share options have vested (2019: 10.7m). The Group have accounted for the costs of the vested share options in 2020 of \$0.1m (2019 : \$1.6m), based on a valuation of \$0.12 per share, derived from an arm's length transaction. Share options became exercisable from 1 July 2020. 9.4m share options were exercised, 1m share options have been forfeited and 3.8m share options were waived. There was no impact of the deferred equity scheme during the year ending 2021.

28. Trade and other payables

	Group	
	2021 \$m	2020 \$m
Trade payables	(7.1)	(20.2)
Indirect tax and social security liabilities	(0.2)	(0.3)
Deferred income		(0.1)
Other payables and accrued expenses	(15.1)	(19.0)
	(22.4)	(39.6)

	Group	
	2021 \$m	2020 \$m
Analysed as:		
Current liabilities	(22.3)	(27.0)
Non-current liabilities	(0.1)	(12.6)
	(22.4)	(39.6)

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

29. Provisions

As at 31 December 2021, the Group had provisions of \$0.1m (2020: \$0.1m). The Board expects the \$0.1m provisions to be utilised within one year.

	2021 \$m	2020 \$m
At beginning of the year	0.1	0.2
Additions	0.3	0.4
Utilised in the year	(0.3)	(0.5)
AT 31 DECEMBER	0.1	0.1

30. Lease

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases relating to property, which fall due as follows:

	2021 \$m	2020 \$m
<i>Right of use asset</i>		
Buildings	1.0	1.9
Other	-	-
	1.0	1.9
<i>Lease liability</i>		
Less than one year	0.4	1.4
Between one and five years	1.0	1.4
<i>Income Statement effects</i>		
Depreciation	(1.2)	(2.2)
Interest expense	(0.4)	(0.6)

All leases are on standard terms with no amounts of variable lease payments.

31. Notes to the statements of cash flows

	Group		Company	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
Depreciation and amortisation	2.0	7.3	-	-
Impairment of asset held for sale	-	-	-	-
Impairment of Lonrho Brand	-	16.3	-	-
Impairment of investment in associate	5.6	-	-	-
Finance income	(1.2)	(1.2)	(0.3)	(0.3)
Finance expense	0.3	1.9	-	-
Share of associates	0.9	1.2	-	-
Share based payments	-	0.1	-	0.1
Provisions	-	-	-	0.9
Income tax expense	2.0	(0.9)	-	-
ADJUSTMENTS TO PROFIT/(LOSS) FOR THE YEAR	9.6	24.7	(0.3)	0.7

32. Financial instruments

The Company has no financial assets apart from the amounts owed by Group undertakings included within note 21. The Company applies a similar approach to credit risk management as the Group. The Directors believe that there are no significant credit risks to the Company at the reporting date.

Exposure to credit, liquidity, interest rate, market and foreign currency risks arise in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital which the Directors consider to be the components of total equity excluding minority interests. Further quantitative disclosures are included throughout these consolidated financial statements. The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

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Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. No collateral is held at the reporting date. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum exposure to credit risk on customers at the reporting date was \$21.3m (2020: \$26.5m), being the total of the carrying amount of trade and other receivables as shown in the table below:

	2021 \$m	2020 \$m
Cash at bank	48.2	62.7
Trade receivables	22.2	26.5
Other receivables	2.8	7.0
	73.2	96.2

The ageing of trade receivables at the reporting date was:

	2021 \$m	2020 \$m
Not due	-	-
Past due 0-30 days	18.3	15.3
Past due 31-60 days	2.3	7.6
More than 60 days past due	1.6	3.6
	22.2	26.5

The movement on the provision for doubtful debts is disclosed in note 20. Other amounts past due are considered collectible due to a low credit risk.

The maximum exposure to credit risk for trade receivables by geographic region was:

	2021 \$m	2020 \$m
Sub-Saharan Africa	22.2	26.5
Rest of the World	-	-
	22.2	26.5

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's and Company's short, medium and long-term funding and liquidity management requirements. The Group and Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group had undrawn facilities in respect of uncommitted bank overdraft of \$35.7m at 31 December 2021 (2020: \$36.9m).

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The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	2021					
	Carrying amount \$m	Contractual cash flows \$m	1 year or less \$m	1 to <2 years \$m	2 to <5 years \$m	5 years and over \$m
Bank overdrafts	1.5	1.5	1.5	-	-	-
Trade and other payables	13.1	13.1	13.1	-	-	-
Bank loans	-	-	-	-	-	-
Shareholder loans	2.2	2.2	1.7	0.5	-	-
Other loans	0.7	0.7	0.7	-	-	-
	17.5	17.5	17.0	0.5	-	-

	2020					
	Carrying amount \$m	Contractual cash flows \$m	1 year or less \$m	1 to <2 years \$m	2 to <5 years \$m	5 years and over \$m
Bank overdrafts	1.3	1.3	1.3	-	-	-
Trade and other payables	33.5	33.5	20.9	12.5	-	-
Bank loans	-	-	-	-	-	-
Shareholder loans	3.3	3.3	2.7	0.6	-	-
Other loans	0.7	0.7	0.7	-	-	-
	38.8	38.8	25.6	13.1	-	-

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they re-price.

	2021				
	Contractual cash flows \$m	1 year or less \$m	1 to <2 years \$m	2 to <5 years \$m	5 years and over \$m
Cash at bank	48.2	48.2	-	-	-
Loans	(2.9)	(2.4)	(0.5)	-	-
Bank overdrafts	(1.5)	(1.5)	-	-	-
	43.8	44.3	(0.5)	-	-

	2020				
	Contractual cash flows \$m	1 year or less \$m	1 to <2 years \$m	2 to <5 years \$m	5 years and over \$m
Cash at bank	62.7	62.7	-	-	-
Loans	(4.0)	(3.4)	(0.6)	-	-
Bank overdrafts	(1.3)	(1.3)	-	-	-
	57.4	58.0	(0.6)	-	-

The effective interest rates are 0% for cash and cash equivalents, 9.0% for loans. Finance lease liabilities and bank overdrafts have an effective interest rate of 8%.

Foreign currency risk management

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than United States Dollars. The currencies giving rise to this risk are , UK Pounds Sterling, South African Rand, Mozambique Metical, Zambian Kwacha, Tanzanian Shilling, Ethiopian Birr, Angolan Kwanza, Malawian Kwacha, Rwandan Franc and Namibian Dollar.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities, and its total net assets at the reporting date is as follows:

	Monetary net assets		Total net assets	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
UK Pounds Sterling	-	-	-	-
South African Rand	(1.6)	(1.9)	45.4	74.4
Mozambican Metical	(4.1)	(1.7)	0.0	9.5
Zambian Kwacha	0.0	(0.2)	0.8	0.2
Tanzanian Shilling	0.0	2.5	0.0	7.4
Ethiopian Birr	0.0	0.8	0.0	0.8
Angolan Kwanza	(0.3)	(0.1)	0.0	2.9
Malawian Kwacha	0.1	0.5	0.9	2.9
Rwandan Franc	0.0	0.2	0.0	0.7
Namibian Dollar	0.0	(1.1)	0.1	0.3
Botswana Pula	1.9	3.9	5.1	5.3
US Dollar	(56.2)	(88.7)	60.5	37.3
Total	(60.1)	(85.9)	112.8	141.7

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2021	2020	2021	2020
UK Pounds Sterling	0.7	0.8	0.7	0.7
South African Rand	14.8	16.5	15.9	14.7
Mozambican Metical	65.9	69.3	63.8	74.9
Zambian Kwacha	20.0	18.3	16.7	21.1
Tanzanian Shilling	2,314.9	2,313.9	2,303.7	2,317.2
Ethiopian Birr	43.8	34.9	49.3	39.0
Angolan Kwanza	625.4	577.0	550.6	654.7
Malawian Kwacha	799.2	742.9	814.2	770.6
Rwandan Franc	1,000.0	955.3	1,031.8	986.4
Botswana Pula	11.1	11.4	11.7	10.8
Namibian Dollar	14.8	16.5	15.9	14.7

Foreign currency sensitivity analysis

A 10% strengthening of the US Dollar against the following currencies at 31 December would have increased/(decreased) equity by the amounts shown below. This analysis assumes that all other variables remain constant.

	Equity	
	2021 \$m	2020 \$m
South African Rand	(5.0)	(8.3)
Mozambican Metical	-	(1.1)
Tanzanian Shilling	(0.6)	(0.6)
Ethiopian Birr	-	(0.8)
Angolan Kwanza	-	(0.1)
Malawian Kwacha	-	(0.3)
Rwandan Franc	(0.1)	(0.3)

A 10% weakening of US Dollars against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk management

The Group is exposed to interest rate changes on its floating rate borrowings, arising principally from changes in borrowing rates in US Dollar, South African Rand, Mozambican Metical and UK Pounds Sterling.

The Group manages interest rate risk by issuing a combination of fixed and floating rate debt instruments. At 31 December 2021, the Group had 90% (2020: 90%) of fixed rate debt and 10% (2020: 10%) of floating rate debt.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Capital management

The Board's policy for the Group and Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-controlling interests.

As the Group is in a phase of expansion, the key capital requirements are to ensure that funding is available for current and planned projects.

The Group considers shareholder's funds plus long-term debt to represent capital as defined by IAS 1. The Group currently has no target debt to equity funding range.

The Directors keep the capital structure of the Group under review.

Fair value measurement hierarchy

The fair value of assets and liabilities can be classed in three levels:

Level 1 - Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair values measured using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair value of derivative instrument liabilities at 31 December 2021 was \$nil (2020: \$nil), which is Level 2 tier per the hierarchy above.

Fair values

The fair value of a financial instrument is the price at which one party would assume the rights and/or duties of another party. The following summarises the major methods and assumptions used in estimating the fair values of financial instruments at the balance sheet date.

- Trade and other receivables/payables** - For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.
- Finance lease liabilities** - The fair value is estimated as the present value of future cash flows, discounted at market interest rates for homogeneous lease agreements. The estimated fair values reflect changes in interest rates.
- Loans and borrowings** - Fair value is calculated based on discounted expected future principal and interest cash flows.
- Convertible bond** - Fair value is calculated with reference to the quoted price (unadjusted) of the instrument in an active market.
- Debt-related derivative financial instruments** - The fair value is calculated by discounting expected future cash flows and translating at the appropriate balance sheet rates.

The following table compares the estimated fair values of certain financial assets and liabilities to their carrying values at the balance sheet date.

	Net carrying amount		Estimated fair value	
	2021 \$m	2020 \$m	2021 \$m	2020 \$m
CURRENT ASSETS				
Trade and other receivables	24.6	32.0	24.6	32.0
Cash at bank	48.2	62.7	48.2	62.7
NON-CURRENT LIABILITIES				
Loans and borrowings	(0.1)	-	(0.1)	-
Trade and other payables	-	(12.5)	-	(12.5)
CURRENT LIABILITIES				
Loans and borrowings	(1.0)	(1.5)	(1.0)	(1.5)
Bank overdrafts	(1.5)	(1.3)	(1.5)	(1.3)
Trade and other payables	(13.1)	(20.9)	(13.1)	(20.9)

The estimated fair values of the remaining financial assets and liabilities are consistent with their carrying values at the balance sheet date.

33. Capital commitments

The Company had \$nil capital commitments at 31 December 2021 (2020: \$nil).

34. Related parties**Transactions with subsidiaries and associates**

Transactions within the Group companies have been eliminated on consolidation and are not disclosed in this note. The transactions for Lonrho Holdings Ltd ('the Company') are disclosed below.

At the reporting date, Lonrho Africa (Holdings) Limited owed the Company \$8.7m (2020: \$8.1m). Lonrho Africa (Holdings) Limited is a wholly owned subsidiary of Lonrho Ltd and holds the operating bank accounts for the Group and the majority of the Group's investments in subsidiaries.

At the reporting date, Lonrho Group was owed the following loans from related parties

	2021 \$m	2020 \$m
Luba Freeport ⁽¹⁾	6.0	6.0
The Big Bottling Company	1.0	0.0

(1) During 2020 Luba Freeport was consolidated into the accounts of the Lonrho Group therefore the loan was eliminated upon consolidation.

Transactions with other related parties*Transactions with key Management personnel*

Key Management personnel are considered to be the Company's Executive Committee and the Board.

During 2021 the Executive Committee comprised of Bruno Sidler, Ashleigh Woolf, Suvarna Issirinarain and Evan Edwards.

Bruno Sidler and Suvarna Issirinarain resigned on 8 March 2022 and 11 March 2022, respectively.

The key Management personnel compensations are as follows:

	2021 \$m	2020 \$m
Short-term employee benefits	1.0	1.3
	1.0	1.3

Total remuneration is included in wages and salaries (see note 8)

During 2020 10m share options granted to members of the executive committee became exercisable. Members exercised the option to purchase 7m shares at a nominal value of \$0.001 per share. Members waived their options on 3m shares for a cash consideration of \$0.4m.

35. Group entities

Principal subsidiaries

	Country of incorporation	Ownership interest		Registered address	Registered number	Class of share held in subsidiary undertaking
		2021	2020			
Africa Big Beverages Investment Limited	Mauritius	43.6%	43.6%	5th floor, Ebene Esplanade 24 Cybercity Ebene Mauritius.	150333	Ordinary
Arlington Associates International Ltd	Malta	50%	50%	Level 1, Suite No. 5, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR 4013, Malta	C.59660	Ordinary
Atlantis Seafood Distributors (Pty) Ltd	South Africa	68.44%	65.83%	169 Neil Hare Road Atlantis Industrial, Cape Town 7349, South Africa	2003/006029/07	Ordinary
Atlantis Food Holdings (Pty) Limited	South Africa	68.44%	65.83%	169 Neil Hare Road, Atlantis Industrial, Cape Town 7349, South Africa	2009/012426/07	Ordinary
Siyanqoba Fishing (Pty) Ltd (formerly Atlantis Retail Services (Pty) Ltd)	South Africa	68.44%	65.83%	169 Neil Hare Road Atlantis Industrial, Cape Town 7349, South Africa	2010/024361/07	Ordinary
Supapackers Holdings (Pty) Ltd	South Africa	68.44%	65.83%	169 Neil Hare Road Atlantis Industrial, Cape Town 7349, South Africa	2010/009574/07	Ordinary
Atuabo Freeport Ghana Ltd In liquidation	Ghana	100%	100%	4 Momotse Avenue, Adabraka, Accra, Ghana	CA-99,443	Ordinary
Benson Global Trading Ltd	British Virgin Islands	100%	100%	Palm Grove House, PO Box 438, Road Town, Tortola VGI10, British Virgin Islands	649540	Ordinary
Breco Holdings Proprietary Limited	South Africa	68.44%	65.83%	4 Printers Way Printers Park Montague Gardens Millerton, Cape Town, 7741	1996/008679/07	Ordinary
Breco Proprietary Limited	South Africa	68.44%	65.83%	4 Printers Way Printers Park Montague Gardens Millerton, Cape Town, 7741	1995/002205/07	Ordinary
Big Africa Ventures Limited	Mauritius	37%	37%	24 Cybercity, 5th Floor, Ebene Esplanade, Ebene, Mauritius	151199	Ordinary
Cenon Holdings (Pty) Ltd	South Africa	100%	100%	2nd Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg, South Africa	2015/400061/07	Ordinary
Complete Enterprise Solutions Ltd	Mauritius	54.35%	54.35%	1st Floor, Anglo-Mauritius House, Intendance Street, Port Louis, Mauritius	60914	Ordinary
Complete Enterprise Solutions Namibia (Pty) Ltd	Namibia	48.9%	48.9%	Shop 48, 2nd Floor, Old Power Station Complex, Armstrong Street, Windhoek, Namibia	2012/0223	Ordinary
Complete Enterprise Solutions South Africa (Pty) Ltd	South Africa	54.35%	54.35%	Block B, Bradford House, 12 Bradford Road, Bedfordview, Johannesburg, South Africa	2007/025504/07	Ordinary
Complete Enterprise Solutions Zambia Ltd	Zambia	48.9%	48.9%	Nkwazi House, Stand 25/26, Cnr Nkwazi & Chachacha, Lusaka, Zambia	74884	Ordinary
Crop Harvest Ltd	Mauritius	100%	100%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	95061	Ordinary
Big Beverages Africa Holdings Limited	Mauritius	43.6%	43.6%	24 Cybercity, 5th Floor, Ebene Esplanade, Ebene, Mauritius	C144000	Ordinary
LAH Support Services Ltd	Mauritius	100%	100%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	112193	Ordinary

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	Country of incorporation	Ownership interest		Registered address	Registered number	Class of share held in subsidiary undertaking
		2021	2020			
LonAgro GEP Manufacturing PLC	Ethiopia	99%	99%	House No. 683, Nefas Silk Lafto Sub City, Wereda 06, Addis Ababa, Ethiopia	EIA-PC/01/005242/08	Common
LonAgro Malawi Ltd	Malawi	100%	100%	Blantyre East, Stand 153, Kristwick, Masauko Chipembere Highway, Blantyre, Malawi	MBRS1004846	Ordinary
LonAgro Mozambique Lda	Mozambique	100%	100%	Bairro do Zimpeto, EN1, Field 13, Maputo, Mozambique	15,551	Quotas
LonAgro Rwanda Ltd	Rwanda	95%	95%	Gatenga, Kicukiro, Umuji wa Kigali, Rwanda	105141391	Ordinary
LonAgro Tanzania Lda	Tanzania	100%	100%	Plot No. 46B, Ursino Street, Regent Estate, Dar es Salaam, Tanzania	85694	Ordinary
LonAgro-Equipamentos Agrícolas Lda	Angola	100%	100%	Estrada Nacional 130, Km 48, Commune de Bon Jesus, Luanda, Angola	1.529-09/090706	Quotas
Lonrho Africa (Holdings) Limited	United Kingdom	100%	100%	20-22 Wenlock Road, London N1 7GU UK	00997945	Ordinary
Lonrho Africa Holdings BV	Netherlands	100%	100%	Luna ArenA, Herikerbergweg 238, CM-1101, Amsterdam, The Netherlands	34112084	Ordinary
Lonrho Agriculture Angola Ltd	British Virgin Islands	100%	100%	Palm Grove House, PO Box 438, Road Town, Tortola VG110, British Virgin Islands	1508992	Ordinary
Lonrho Amathonga Hotels (Pty) Ltd (in process of being deregistered)	South Africa	70%	70%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/010597/07	Ordinary
Lonrho Energy (Pty) Ltd (in process of being deregistered)	South Africa	70%	70%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/008050/07	Ordinary
Lonrho Equipment Ltd In process of being liquidated.	Mauritius	100%	100%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	105593	Ordinary
Lonrho Food Supply Chain Management Ltd	United Kingdom	100%	100%	20-22 Wenlock Road, London N1 7GU UK	5878892	Ordinary
Lonrho Fresh (Pty) Ltd (in liquidation)	South Africa	100%	100%	Cnr Webb & Jones Roads, Jetpark, Boksburg, Johannesburg 1459, South Africa	2003/001714/07	Ordinary
Lonrho Infra One UK Ltd	United Kingdom	100%	100%	20-22 Wenlock Road, London N1 7GU, UK	06310007	Ordinary
Lonrho Infra Three UK Ltd	United Kingdom	0%	100%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	06055860	Ordinary
Lonrho Infra Two UK Ltd	United Kingdom	0%	100%	10th Floor, 26-28 Hammersmith Grove, London W6 7HA, UK	06055860	Ordinary
Lonrho Infrastructure Ltd	United Kingdom	100%	100%	20-22 Wenlock Road, London N1 7GU, UK	06310008	Ordinary
Lonrho International Services Ltd (liquidated 25.1.2021)	Mauritius	100%	100%	2nd Floor, Block B, Medine Mews, Chaussee Street, Port Louis, Mauritius	132736	Ordinary
Lonrho Investments Ltd	United Kingdom	100%	100%	20-22 Wenlock Road, London N1 7GU, UK	05840279	Ordinary
Lonrho IT Ltd	Mauritius	100%	100%	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius	103916	Ordinary

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		2021	2020			
Lonrho Johannesburg (Pty) Ltd	South Africa	100%	100%	11 Alice Lane, Building 3, 4th Floor South East Suite Sandton Johannesburg South Africa 2146 South Africa	2014/13826/07	Ordinary
Lonrho Limited	United Kingdom	100%	100%	20-22 Wenlock Road, London N1 7GU, UK	02805337	Ordinary
Lonrho Logistics Mozambique Lda	Mozambique	100%	100%	Couto Graca & Associados Av. 24 de Julho, no 7 7o Andar Maputo Mozambique	100485117	Quotas
Lonrho Logistics MU Ltd	Mauritius	100%	100%	10th Floor, Raffles Tower 19 Cybercity Ebene Mauritius	112820	Ordinary
Lonrho Market Expansion Services Ltd	United Kingdom	100%	100%	20-22 Wenlock Road, London N1 7GU, UK	06319872	Ordinary
Lonrho MES Ltd	Mauritius	100%	100%	2nd Floor, Block B, Medine Mews, Chaussee Street, Port Louis, Mauritius	124720	Ordinary
Lonrho Ports Ghana Ltd	Mauritius	100%	100%	10th Floor, Raffles Tower 19 Cybercity Ebene Mauritius	106019	Ordinary
Lonrho Projects Agri (Pty) Ltd (in liquidation)	South Africa	70%	70%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/007772/07	Ordinary
Lonrho Projects Consulting (Pty) Ltd (in process of strike off)	South Africa	70%	70%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/009527/07	Ordinary
Lonrho Projects South Africa (Pty) Ltd (in process of strike off)	South Africa	70%	70%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2008/006054/07	Ordinary
Lonrho Securitec (Pty) Ltd (in process of strike off)	South Africa	70%	70%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2009/009501/07	Ordinary
Lonrho South Africa (Pty) Ltd (in the process of strike off)	South Africa	100%	100%	102 First Floor, Fulham House, 20 Georgian Crescent, Hampton Park North, Johannesburg 2021, South Africa	2006/031629/07	Ordinary
Lonrho Trustees Limited	United Kingdom	100%	100%	20-22 Wenlock Road, London N1 7GU, UK	10180552	Ordinary
Lonrho Water (Pty) Ltd (in process of strike off)	South Africa	100%	100%	90 De Korte Street, Braamfontein, Johannesburg 2017, South Africa	2006/039221/07	Ordinary
Lonrho Management South Africa (Pty) Ltd	South Africa	100%	100%	102 First Floor, Fulham House 20 Georgian Crescent Hampton Park North Gauteng 2021 South Africa	2008/004250/07	Ordinary
LPMS Ltd (in liquidation)	Ghana	0%	100%	4 Momotse Avenue, Adabraka, Accra,	CS501332014	Ordinary

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	Country of incorporation	Ownership interest		Registered address	Registered number	Class of share held in subsidiary undertaking
		2021	2020			
				Ghana		
Luba Free Port Ltd	Jersey	63%	63%	2nd Floor Gaspe' House 66 - 72 Esplanade St Helier Jersey JE1 1GH Jersey	67503	Ordinary
Mozambique Machines Ltd	Mauritius	100%	100%	10th Floor, Raffles Tower 19 Cybercity Ebene Mauritius	094912	Ordinary
Rollex Cargo (Pty) Ltd (in liquidation)	South Africa	100%	100%	Unit 33 Foreign Airlines Cargo Cent OR Tambo International Airport Kempton Park Gaunteng 1627 South Africa	2006/028672/07	Ordinary
Sociedade Comercial Bytes & Pieces Lda	Mozambique	65.00%	65.00%	Rua da Unami, Nr 21, Maputo, Mozambique	12060	Quotas
Swissta Holding Ltd	Mauritius	100%	100%	Suites 340-345 Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius	54284	Ordinary
Swissta Mozambique Lda In process of being liquidated.	Mozambique	99%	99%	Avenida do Moamba No. 7111/1, Machava, Maputo, Mozambique	17166	Quotas
Tanzania Harvest Ltd	Mauritius	0%	100%	10th Floor, Raffles Tower 19 Cybercity Ebene Mauritius	105677	Ordinary
The Big Bottling Company Limited	Nigeria	37.06%	37.06%	252E Muri Okunola Street, Victoria Island, Lagos Nigeria	1093395	Ordinary
Brands Consumer Group Holding	Mauritius	83.7%	83.7%	Level 2 Alexander House, Silicon Avenue, Ebene Cybercity, Mauritius, 72201	C139895	Ordinary
Brands Consumer Group (Mauritius) Ltd	Mauritius	83.7%	83.7%	Level 2 Alexander House, Silicon Avenue, Ebene Cybercity Mauritius, 72201	144592	Ordinary
Brands Africa Ltd	Zambia	83.7%	83.7%	Sub COS Sub 34 of Farm 397A York Commercial Park, Makeni Lusaka, 35637 Zambia	95157	Ordinary
Brands Africa Ltd	Malawi	83.7%	83.7%	Grevilla Avenue, Limbe CC383A, Malawi	MBRS 1012368	Ordinary
BCG Supply Chain (Pty) Ltd	South Africa	83.7%	83.7%	Ruwag Building City Deep Production, 83 Heidelberg Road City Deep, Gauteng, 2197 South Africa	2016/296383/07	Ordinary
BCG Supply Chain (Pty) Ltd	Botswana	83.7%	83.7%	Plot 465, Mathangwane Road Extension 4, POBOX 46699, Village, Gaborone, Botswana	CO2017/21279	Ordinary
Safari Distributors (Pty) Ltd	Botswana	83.7%	83.7%	Gaborone Plot 50370, Acumen Park, Fairgrounds Office Park Gaborone, Botswana	2000/2830	Ordinary
Brands Africa (Namibia) (Proprietary) Limited	Namibia	83.7%	83.7%	Unit 6, Plenarg Industrial Park Gold Street Prosperita Windhoek 198	2018/0654	Ordinary

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	2021	2020			
			Namibia		
Dumela Brands Africa Botswana Proprietary Limited (set up 1 April 2020)	83.7%	83.7%	Grant Thornton Business Services Plot 50370, Acumen Park, Fairgrounds Gaborone Botswana	UIN BW0000159857 7	Ordinary
Brands Consumer Group South Africa (PTY) Limited (set up 15 April 2021)	83.7%	0%	Longlake 19 Heaton Lane Linbro Park Johannesburg 2090 South Africa	2021/545465/07	Ordinary

Exchange control procedures exist in Mozambique, Angola and South Africa, which place restrictions on repatriation of cash to the Group.

36. Events after the reporting date

During Q1 2022 the Company entered into an agreement to sell the non-core assets of the group, including the non-operating dormant entities. The sale is anticipated to be concluded at the start of Q3 2022.