



LUSAKA SOUTH
MULTI-FACILITY
ECONOMIC ZONE
LIMITED



ANNUAL REPORT 2024



LUSAKA SOUTH
MULTI-FACILITY
ECONOMIC ZONE
LIMITED

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**LIVE, WORK & PLAY IN THE LUSAKA SOUTH
MULTI-FACILITY ECONOMIC ZONE**



www.lsmfez.co.zm

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CHAIRPERSON'S STATEMENT TO SHAREHOLDERS



“

‘Our achievements would not have been possible without the dedication and expertise of our Board, management, and employees...’

Dear Shareholders,

It is my pleasure to present to you the Lusaka South Multi-Facility Economic Zone Limited's (LS-MFEZ) outstanding company performance for 2024, marked by a significant increase in revenues, and enhanced operational efficiency.

Despite navigating challenges such as the drought which impacted water supply to our investors, increased load management which raised operational complexities, our team demonstrated resilience and adaptability.

Throughout the year, we remained focused on delivering value to our stakeholders and advancing our mission to establish the Lusaka South Multi Facility Economic Zone as a premier economic hub.

Our financial performance showed significant improvement, with an after-tax profit of ZMW 29 million. A substantial portion of these earnings will be reinvested to drive our 2025-2040 strategic plan, which prioritizes infrastructure development, among other key initiatives.

In line with this focus, we made notable progress in infrastructure expansion, constructing 9.6 kilometers of power distribution network. This critical investment enabled the onboarding of prominent investors, including PDV Metals, Far Properties, Ubuntu Milling, Proton Cables, and Global Logistics

Additionally, the company signed the Power Purchase Agreement (PPA) with ZESCO, thus securing the power demand for 120MVA, to ensure a stable electricity supply within the zone..

In water and sanitation, the company concluded negotiations with Lusaka Water Supply and Sanitation Company (LWSC) to construct the Libala Water Pipeline, which will supply 10,000m³–15,000m³ of water per day. Additional developments include new water distribution networks in Phase 1 Residential, procurement of sanitation systems, and the installation of smart water meters to improve billing accuracy and efficient service delivery.

During the year, the company completed construction of a 6km of all-weather gravel roads, a stormwater retention pond to facilitate rainwater harvesting and the Western Entrance Gate, which will improve security and transit access control once fully automated.

Sustainability remains a key pillar of our growth strategy. The company embarked on reforestation project to plant “50,000 Trees” by 2030. In collaboration with Standard Chartered Bank and VIVO Energy, the company planted 2,500 trees.

On water stewardship, we collaborated with Lusaka Water Security Initiative (LuWSI) to promote safeguarding of water resources in the City, particularly in the Zone.

This year also marked a transition in leadership with the departure of Mr. Kennedy Mwila, who served as Managing Director from 2021 until February 2024. We extend our gratitude for his leadership and contributions to the growth of LS-MFEZ and remain confident in our continued progress under the current management team.

Our achievements would not have been possible without the dedication and expertise of our Board, management, and employees. Your commitment has been instrumental in driving LS-MFEZ's success. We extend our sincere gratitude for your contributions and look forward to another year of growth and innovation.

Boster H. Chiyaba

LS MFEZ BOARD CHAIRPERSON
Mr. Boster H. Chiyaba

Who we are?

The LS-MFEZ was declared a Multi Facility Economic Zone (MFEZ) on 29th June 2010 under Statutory Instrument (SI) No. 47 of 2010 by the Government of the Republic of Zambia, born out of the Zambia Development Agency Act No. 11 of 2006. The Lusaka South Multi Facility Economic Zone (LS-MFEZ) Limited, is a state-owned enterprise incorporated on 25th June, 2012, to operate, develop and manage the Lusaka South Multi Facility Economic Zone (LS-MFEZ). The Lusaka South Multi-Facility Economic Zone Limited has a mandate to develop, operate and manage the LS MFEZ.

Mission, Vision and Values

In order to effectively carry out its mandate LS MFEZ Limited pursues the following mission and vision;

Mission

To develop, Operate and Manage the LSMFEZ in order to promote eco-friendly and sustainable investments

Vision

Leading the way in the diversification of the Zambian Economy

Core Values

Our Values, are summarized by the acronym “SPACE 2i”. This highlights that we are creating a space that of excellence in pursuit of our goals. Each letter in the word SPACE 2i is further interpreted below;

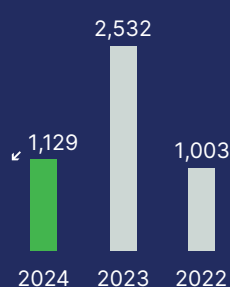


Year at a Glance

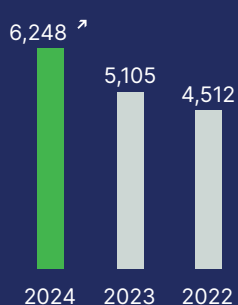
The year at a glance presents a summary of total performance for the year in statistics;

Contribution to National Treasury

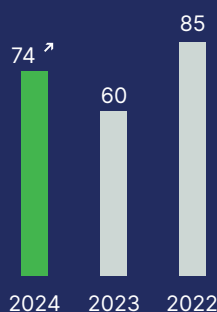
Taxes



PAYE



Skills Levy



Total

20,747

Taxes: 4,664

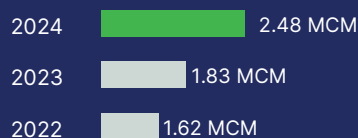
PAYE 15,865

Skills Levy: 219

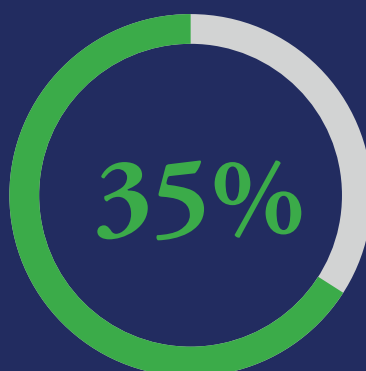
Water Produced



Water Consumed



Growth Rate



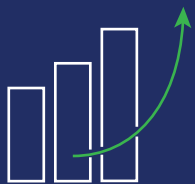
Dividend
Payment Rate



Net Profit
Margin

2024 Financial Highlights

PROFITABILITY

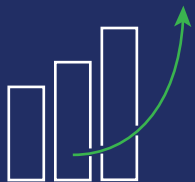


TURNOVER (ZMW'000)
2024 146.7
2023 74.4

COST OF SALES (ZMW'000)
2024 66.1
2023 36.1

OPERATING PROFIT
2024 31,276 (ZMW'000)
2023 5,089 (ZMW'000)

BUSINESS



INVESTMENT VALUE
2024 372.88 million
2023 317.0 million

NEW INVESTORS
2024 25
2023 16

LEASE AGREEMENTS
2024 8
2023 27

LAND MANAGEMENT

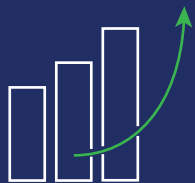


ALLOCATED IN A YEAR
(HECTARES)
2024 105.3
2023 172

PERCENTAGE OF
TOTAL LAND
2024 5.15%
2023 8.2%

CUMULATIVE
(HECTARES)
2024 1128
2023 1032

HUMAN CAPITAL



HEAD COUNT
2024 62
2023 53

REVENUE PER CAPITA
2024 ZMW 2.36 million
2023 ZMW 1.403 million

OPERATING COST
PER CAPITA
2024 ZMW 1.068 million
2023 ZMW 0.8751 million

Profitability Analysis

ZMW'000

Turnover	Gross Profit	Gross Profit Margin
146,783	80,654	58%
110% Growth Rate)		
2023 74,370	2023 38,287	2023 51%
2022 70,010	2022 29,357	2022 42%

Operating Profit	Net Profit	Net Profit Margin
31,276	29,163	20%
2023 5,089	2023 3,548	2023 5%
2022 2,890	2022 2,890	2022 4%

EBIDTA Margin	Dividend Payment Rate
16%	35%
2023 1%	2023 45%
2022 8%	2022 42%

Current Ratio	Liquid Ratio	Asset turnover
17.03	4.24	0.03
2023-17.40	2023- 2.30	2023- 0.01
2022- 17.65	2022- 1.99	2022- 0.01

Operating Profit	Net Profit	Net Profit Margin
31,276	29,163	20%
2023- 5,089	2023-3,548	2023- 5%
2022- 2,890	2022- 2,890	2022- 4%



LUSAKA SOUTH
MULTI-FACILITY
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Build The Future With The LS-MFEZ



Invest in Education, Invest in Growth.

LS-MFEZ is opening doors for investors to establish schools, training centers, and educational facilities to support our growing economic zone.

- ◆ Prime land available for educational institutions
- ◆ Opportunities for private & public partnerships
 - ◆ Support facilities for skill development

Be part of a thriving hub that nurtures knowledge and innovation!

☎ Contact us today to invest in education at LS-MFEZ!

The background of the entire page is a dark blue color. Overlaid on this background are numerous concentric circles in a lighter shade of blue. These circles are centered on the right side of the page and expand outwards towards the left, creating a ripple effect that fills the entire frame.

Managing Directors Report

Managing Director's Report

Dear Shareholders,

I'm delighted to reflect and report on the performance of the company during the year under review. The year presented significant challenges, particularly due to the drought experienced during the 2024/25 season. This severe drought led to a considerable decline in water production, which in turn had a negative impact on our ability to supply water to investors.



Mr. Mwiza Mseteka

1. Strategic Direction

During the year under review, the company successfully finalized its Strategic Plan 2025-2040, which outlines a visionary roadmap for the transformation of the Lusaka South Multi-Facility Economic Zone into a premier destination for investment, innovation, and sustainable growth.

Spanning a 15-year horizon, the strategic plan is built on five dynamic themes:

- Infrastructure Development
- Investment Attraction and Economic Growth
- Community and Commercial Development
- Financial Sustainability and Governance
- Risk Management and Organizational Efficiency

This plan is firmly anchored in a customer-centric philosophy that emphasizes the success of investors, businesses, and communities within the Zone, while promoting the development of a smart green city environment.

We recognize that the foundation of our success lies in our people, our dedicated staff, engaged stakeholders, esteemed board of directors, and the leadership of the Industrial Development Corporation (IDC) group.

LSMFEZ aims to be a pivotal driver of Zambia's economic development. By attracting significant investments, creating job opportunities, and championing sustainable practices, the Economic Zone is poised to make a substantial contribution to the nation's growth and prosperity. This strategic plan outlines our collaborative efforts with stakeholders to maximize our positive impact on the Zambian economy.

2. Financial Performance

LS-MFEZ Limited demonstrated significant financial growth in 2024, reflecting strong revenue generation, improved profitability, and enhanced cash flow management.

Revenue increased substantially to ZMW 146.78 million in 2024, representing nearly a 98% growth from ZMW 74.37 million in 2023. This increase was driven by higher investment inflows, increased land sales, and improved service delivery within the Economic Zone.

Operating profits surged to ZMW 31.28 million in 2024, a remarkable increase compared to ZMW 5.09 million in 2023. This significant improvement highlights the company's enhanced operational efficiency, cost management strategies, and increased revenue streams.

Cash and cash equivalents also saw a substantial rise, reaching ZMW 98.82 million in 2024, compared to ZMW 39.31 million in 2023. This growth underscores LS-MFEZ's

strong liquidity position, enabling the company to reinvest in critical infrastructure projects and sustain long-term financial stability.

The company declared a dividend of ZMW 10.21 million in 2024, marking a significant increase from ZMW 2.00 million in 2023. The dividend payout ratio, which stood at 35% in 2024, reflects a balanced approach between rewarding shareholders and retaining earnings for future expansion. Although lower than the 56% payout ratio in 2023, this strategic allocation ensures the company remains well-positioned for sustained growth and infrastructure development.

Overall, LS-MFEZ's financial performance in 2024 reflects strong revenue growth, improved profitability, and a prudent financial management approach, reinforcing its commitment to long-term sustainability and value creation for shareholders and stakeholders alike.

Analysis of Financial Performance

Category ZMW '000'	2024	2023	2022
Revenue	146,783	74,370	70,010
Operating Profits	31,276	5,089	6,183
Cash & Equivalents	98,818	39,308	43,235
Dividends	10,207	2,000	1,200
Dividend Payout Ratio	35%	56%	35%

3. Business Performance

During the year, LS-MFEZ Limited experienced notable growth in investment value, investor participation, and job creation, further reinforcing its position as a premier investment destination.

The total investment value increased to ZMW 372.88 million, marking a 17.7% growth from ZMW 317.04 million in 2023. This increase reflects heightened investor confidence and the successful attraction of new businesses into the Economic Zone.

The number of new investors approved also rose, with 18 investors onboarded in 2024, compared to 16 in 2023. This steady increase highlights the Zone's growing appeal as a key driver of economic development and industrial expansion.

However, job creation declined, with 3,888 jobs generated in 2024, compared to 5,939 in 2023. This variation is attributed to differences in the scale and nature of investments, as some industries require higher capital investment with fewer initial employment opportunities, while others are more labour-intensive.

Investor activity within the Zone also saw a significant increase, with 21 new investors commencing construction in 2024, more than double the 9 recorded in 2023. Similarly, the number of investors beginning operations surged to 25 in 2024, compared to only 2 in 2023, indicating a strong transition from project development to active business operations.

These positive trends reflect LS-MFEZ's effective investment promotion strategies, ongoing infrastructure development, and

commitment to enhancing the business environment, ensuring sustained growth and long-term economic contributions to Zambia's industrial sector.

Analysis of Business Performance

Investment Value "ZMW"	2024	2023	2022
No. of Investors per Year	18	16	28
Jobs Created per Year	3,888	5,939	7,006
New Investors Constructing	21	9	12
New Investors in Operation	25	2	1

4. Infrastructure Development

4.1 Expansion of Power Distribution Network

During the year, the company expanded its power distribution network, constructing 9.6 km of additional infrastructure. This development facilitated the onboarding of key investors, including PDV Metals, Far Properties, Ubuntu Milling, Proton Cables, and Global Logistics, thereby enhancing the zone's capacity to support industrial and commercial activities.

4.2 Investment in Water and Sanitation Infrastructure

Significant investments were made in the construction of water distribution networks in Phase 1 Residential, alongside the procurement of sanitation systems for Phase 1 Residential and a water network for Phase 2 Residential. These initiatives aim to enhance the availability of essential utilities to both residents and investors.

4.3 Implementation of Smart Water Metering

To improve service efficiency, the company installed smart water meters, which are designed to enhance billing accuracy, fault detection, and response time. This investment reflects the company's commitment to adopting modern technologies to optimize resource management and service delivery.

4.4 Development of Road and Drainage Infrastructure

Investments in road and drainage infrastructure continued, ensuring improved accessibility for both residents and investors. In 2024, the company procured 6 km of all-weather gravel roads, expanding connectivity within the zone. Additionally, construction commenced on a stormwater retention pond, which will support rainwater harvesting and contribute to sustainable water management.

4.5 Completion of the Western Entrance Gate

The Western Entrance Gate, located along Tokyo Way (Ring Road), was completed in December 2024. This project aims to enhance security for personnel, goods, and services entering and exiting the zone. Additionally, plans are in place to automate the gate, which will facilitate efficient access control and improve the collection of road tolls within the zone.

These strategic investments align with the company's long-term vision of enhancing infrastructure, improving service delivery, and fostering a conducive environment for investors

Managing Director’s Report - continued

and residents.

4.6 Utility Infrastructure Agreements

During the period under review, LS-MFEZ Limited made significant strides in enhancing critical utility infrastructure, ensuring the long-term sustainability and reliability of essential services for investors and residents within the Economic Zone.

One of the key milestones achieved was the finalization of negotiations for a Bulk Water Supply Agreement with Lusaka Water and Sanitation Company (LWSC). This agreement facilitates the construction of an 8 km water pipeline from Libala Water Works to the Lusaka South Multi-Facility Economic Zone, significantly improving water supply capacity and reducing reliance on groundwater sources. This initiative is essential in meeting the growing industrial and residential water demands within the Zone.

Additionally, LS-MFEZ successfully took over the responsibility of power supply within the Economic Zone by concluding a Bulk Power Supply Agreement with ZESCO, allowing LS-MFEZ to procure and distribute electricity. This agreement enhances energy security by ensuring a stable and reliable power supply tailored to the growing needs of industrial and commercial investors. By managing power distribution, LS-MFEZ is better positioned to optimize energy efficiency, improve service delivery, and implement sustainable energy solutions.

5. Environmental Sustainability

5.1 Environmental

The Lusaka South Multi-Facility Economic Zone (LS-MFEZ) is committed to environmental sustainability by integrating eco-friendly practices in industrial, commercial, and residential developments. Our approach includes sustainable land use, efficient resource management, renewable energy adoption, and strict environmental compliance to minimize ecological impact while promoting green growth.

5.1.1 Tree-Planting Initiative

In line with its commitment to environmental sustainability, the company collaborated with VIVO Energy and Standard Chartered Bank to implement a large-scale tree-planting initiative. Through this program, LS-MFEZ aims to plant 10,000 trees annually to offset its carbon footprint and restore vegetation lost due to construction activities. To date, 2,500 trees have been planted, with an additional 2,500 trees donated by the Standard Chartered Bank for future planting. This initiative underscores LS-MFEZ’s dedication to sustainable development and ecological conservation within the economic zone.

5.1.2 Water and Environmental Stewardship

The LS-MFEZ also partnered with Lusaka Water Security Initiative (LuWSI) to establish a collaborative framework aimed at promoting water and environmental stewardship among

private companies operating within the economic zone. This initiative is designed to enhance water security in Lusaka by encouraging responsible water management practices and fostering a more sustainable business environment.

Through these strategic partnerships, LS-MFEZ continues to advance its environmental sustainability agenda while contributing to broader national and global efforts in climate resilience and resource conservation.

5.1.3 Employee Contribution

During the year, LS-MFEZ Limited demonstrated significant growth in revenue generation and workforce productivity, reflecting the company’s commitment to operational efficiency and employee-driven value creation.

A key indicator of employee contribution, revenue per capita, showed remarkable improvement, reaching ZMW 2.37 million per employee in 2024, up from ZMW 1.6 million in 2023. This upward trend reflects higher productivity levels, improved operational effectiveness, and the company’s ability to maximize employee contributions toward revenue generation.

The workforce also grew, with the number of employees increasing to 62 in 2024, compared to 53 in 2023. Despite this increase, the company maintained a strong focus on efficiency and productivity, ensuring that workforce expansion aligned with business growth.

Employee Per Capita

Category	2024	2023	2022
Revenue ZMK '000'	146,783	74,370	70,010
No. of Employees	62	53	56
Employee per Capita	2.367 million	1.403 million	1.250 million

NOTE: should be illustrated using a Pie Chart.

5.1.4 Energy And Water Usage

5.1.4.1 Energy Consumption

Power consumption for LS-MFEZ offices has remained constant; however, efforts are underway to reduce energy usage in 2025 through the integration of renewable energy sources, such as solar power. Meanwhile, investor power consumption has increased significantly, rising from 20MVA to 36MVA. This increase is attributed to new power connections for investors, including Ubuntu Milling, Proton Cables, Global Logistics, PDV Metals, and Far Properties, reflecting the zone’s growing industrial activity.

5.1.4.2 Water Consumption

Water demand has also experienced a notable rise, increasing from 5,700 cubic meters in 2023 to 6,900 cubic meters in 2024. This surge is primarily driven by the connection of additional investors to the water distribution network and the expansion of existing production facilities. Notably, Bigtree Beverages introduced four new production lines, further contributing to the increased demand.

Additionally, the company has made significant progress in reducing Non-Revenue Water (NRW), which has declined from 5% in 2023 to 2.85% in 2024. This improvement reflects enhanced water management efficiency and reduced system losses, ensuring the sustainable use of water resources within the zone.

Energy and Water Usage Analysis

Category	2024	2023	2022
Energy Consumption - Office	0.63 MVA	0.63 MVA	0.63 MVA
Energy Consumption - Investors	36 MVA	20 MVA	17 MVA
Water Demand	6,800 m ³ /day	5,700 m ³ /day	4,500 m ³ /day

6. Social Sustainability

As part of its commitment to social sustainability, LS-MFEZ continued to support community development initiatives and foster economic growth through strategic partnerships and investments.

During 2024, the company increased its donations to various social causes, contributing ZMW 95,000, compared to ZMW 60,000 in 2023. This increase reflects LS-MFEZ's dedication to corporate social responsibility and its efforts to positively impact local communities.

The company also facilitated investment and business expansion within the economic zone. In 2024, 10 investment permits were issued, a slight decrease from 11 in 2023.

Additionally, 8 lease agreements were signed in 2024, compared to none in 2023 and 27 in 2022, indicating ongoing efforts to secure long-term investments and foster economic stability.

Supporting Small and Medium Enterprises (SMEs) remained a key priority, with 11 SMEs onboarded in both 2024 and 2023, reflecting consistency in LS-MFEZ's efforts to promote entrepreneurship and economic inclusivity, demonstrating a steady commitment to empowering small businesses within the zone.

Through these initiatives, LS-MFEZ continues to strengthen its role as a catalyst for social and economic development, ensuring that investments within the zone contribute to broader community well-being and sustainable growth.

Social sustainability analysis

Category	2024	2023	2022
Donations 'ZMK'	95,000	60,000	50,000
Investment Permits	10	11	7

Category	2024	2023	2022
Lease Agreements	8	-	27
SME Onboarding	11	11	10

6.1 Commitment to Diversity, Equity, and Inclusivity

LS-MFEZ Limited is dedicated to fostering a workplace culture that upholds the principles of diversity, equity, and inclusivity at every organizational level. The company prioritizes the recruitment and retention of a diverse workforce by implementing fair and transparent hiring practices, ensuring equal opportunities for all candidates. Through ongoing training and educational initiatives, employees are empowered to recognize and address implicit biases, fostering an environment of mutual respect and belonging.

The leadership team actively champions inclusivity by developing policies that promote workplace diversity, offering capacity-building programs, and ensuring that a wide range of perspectives are represented in decision-making processes. By embracing different backgrounds, experiences, and viewpoints, LS-MFEZ enhances innovation, collaboration, and cross-cultural competence, ultimately creating a more dynamic, inclusive, and supportive work environment.

During the year under review, LS-MFEZ Limited continued its strategic expansion to further strengthen service delivery, conducting 11 new recruitments over the course of the year. Additionally, four employees separated from the company, reflecting ongoing workforce optimization and organizational growth.

LS-MFEZ Limited remains committed to fostering a diverse, inclusive, and well-structured workforce, ensuring a balanced representation of employees across various demographic and contractual categories.

During this period, the company had a staff complement of 61 individuals, with 42 males and 19 females, reflecting ongoing efforts to promote gender diversity and equal employment opportunities.

The average age of management staff was recorded at 43 years, while non-management staff had an average age of 33 years. This demographic composition highlights a blend of experienced leadership and a dynamic, youthful workforce, contributing to organizational growth and innovation.

In terms of contractual arrangements, the workforce was structured as follows:

- 13 employees were on fixed-term contracts,
- 48 employees held permanent positions, ensuring workforce stability, and
- 25 employees were engaged on short-term contracts, providing flexibility to meet operational demands.

This diverse and strategically structured workforce enables LS-MFEZ to enhance productivity, foster innovation, and maintain a high-performance work environment, aligning with its long-term human capital development strategy.

Demographic and contractual analysis

Managing Director's Report - continued

Category	Male	Female	Total
Gender Distribution	41	19	63
Average Age Management Staff)	-	-	43
Average Age Non-Management Staff)	-	-	33
Fixed-Term Contracts	-	-	13
Permanent Contracts	-	-	48
Short-Term Contracts	-	-	25

6.2 Commitment to Employee Welfare

LS-MFEZ Limited remains dedicated to fostering a supportive and rewarding work environment, ensuring employee well-being, professional growth, and long-term career development.

To recognize and incentivize outstanding performance, five employees received performance rewards in 2024, reinforcing the company's commitment to employee motivation and excellence. Additionally, employee retention remained high at 92%, reflecting a positive workplace culture, job satisfaction, and strong employee engagement initiatives.

The company also prioritized continuous learning and professional development, conducting four employee training sessions and 16 Continuous Professional Development (CPD) workshops. These initiatives aimed to enhance skills, improve competencies, and align employees with industry best practices, ensuring sustained organizational growth and innovation.

Employee well-being remained a key focus, with ZMW 900,000 allocated to medical cover, ensuring access to quality healthcare services. Furthermore, pension and gratuity payments totaled ZMW 1.99 million, reinforcing LS-MFEZ's commitment to financial security and long-term employee welfare.

Through these initiatives, LS-MFEZ continues to invest in its workforce, fostering a productive, engaged, and high-performing team that drives the company's success and sustainability.

Employee welfare analysis

Category Number/Value

Employees Receiving Performance Rewards	5
Employee Retention Rate	92%
Total Employee Trainings Conducted	4
Employee CPD Continuous Professional Development) Workshops	16

Medical Cover Provided ZMW '000'	900
Pension/Gratuity Payments 'ZMW '000'	1,988

7. Governance and ethics

7.1 Risk Management

LS-MFEZ Limited employs a comprehensive risk management framework to identify, assess, and mitigate risks, ensuring sustainable operations and investor confidence. This includes maintaining a risk register, implementing mitigation strategies, and providing quarterly reports to the Board of Directors.

7.1.1 Key Strategic Risks in 2024:

7.1.1.1 Environmental Impacts

The severe 2024 drought led to the drying of boreholes and a reduction in water supply, negatively affecting investors. To mitigate this risk, LS-MFEZ has partnered with Lusaka Water & Sanitation Company to secure bulk water supply from Libala Water Works, reducing dependence on groundwater. Additional measures include exploring alternative water sources and enhancing water conservation strategies to ensure long-term sustainability.

7.1.1.2 Inadequate Service Infrastructure

The rapid increase in investor inflows has outpaced existing infrastructure, posing challenges to service delivery. To address this, LS-MFEZ utilizes government grants and revenue from plot sales to finance infrastructure upgrades. Additional strategies include public-private partnerships (PPPs) and a phased infrastructure expansion approach to meet growing investor demand.

7.2 Policy Advocacy

7.2.1 Property Rates

LS-MFEZ is actively engaging with the government to advocate for reduced property rates or the designation of the Zone as an exempt area. This initiative aims to enhance the Zone's competitiveness and support investor growth by reducing operational costs.

7.2.2 Tax Exemptions

To further incentivize investment, LS-MFEZ is lobbying for a Value Added Tax (VAT) exemption within the Zone. This measure seeks to lower investment costs, making LS-MFEZ a more attractive destination for both local and international investors.



Mr. Mwiza Mseteka
Managing Director



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MULTI-FACILITY
ECONOMIC ZONE
LIMITED



INVEST IN LUSAKA SOUTH MFEZ

The Lusaka South MFEZ is located in Lusaka, Zambia. The Zone is being developed as a mixed use facility and will culminate into Zambia's first modern town. The Zone has space available for investors to develop into:

SHOPPING
MALLS

VERTICAL
CITIES

GOLF
COURSES

HARDWARE
STORES

RECREATIONAL
FACILITIES

Play Parks & Amusement parks

HOTELS

CONTACT US



info@lsmfez.co.zm
P.O.Box 392, Lusaka
Zambia



(+260) 211 485000/1



A series of concentric circles in a lighter shade of blue, centered on the right side of the page, creating a ripple effect across the dark blue background.

Finance Directors Report

Finance Director's Report

To the shareholders

We continue to deliver strong financial performance in 2024, despite the challenging microeconomic conditions. We have created value for the shareholders through the dividends declared in the last 3 years and growth in business contributing to the GDP.



Mr. Progress Saiwana

Below is our financial performance review for the last 3 years.

Statement of Comprehensive Income

ZMW'000	2024	2023	2022
Turnover	146,783	74,370	70,010
Cost of Sales	66,130	36,084	40,653
Gross Profit	80,654	38,287	29,357
Other Incomes	16,807	11,950	15,296
Operating Costs	66,198	45,147	38,470
Net Financing Income	5,340	2,584	1,003
Operating Profit	36,603	7,673	7,186
Taxation	7,440	4,125	4,295
Profit after tax	29,163	3,548	2,891

Statement of Financial Position

Non-Current Assets	4,398,246	4,361,793	4,312,977
Current Assets	849,358	820,825	847,701
Total Assets	5,247,605	5,182,618	5,160,678

Equity & Liabilities

Equity	315,242	315,242	315,242
Capital Grants	265,185	222,082	194,436
Revaluation Reserves	216,358	224,739	231,137
Retained Earnings	4,400,939	4,373,372	4,371,824
Total Equity	5,197,724	5,135,436	5,112,639

Current Liabilities

Trade & other payables	49,880	47,183	48,039
Equity & Liabilities	5,247,605	5,182,618	5,160,678

Financial Performance Review

Our 2024 financial performance reflects our commitment to grow the business and improved service delivery to the Investors in the Economic Zone.

The company continued its strong financial trajectory, closing with a net profit of ZMW29.163 million, from ZMW3.547 million recorded in 2023.

The significant improvement in profitability was on account of an increase in turnover by 97% due to the following factors.

- Residential plots sold increased by 110% from 127 residential plots sold in 2023 to 267 plots sold in 2024.
- Water sales volume increased by 35% from 1,831,232 m³ in 2023 to 2,480,747 m³ in 2024 due to demand by Investors. Further, the average tariff for some Investors increased from ZMW4.5/m³ to ZMW12/m³.
- The lease fees increased by 89% due to rise in Investors who have been allocated land and the annual escalation of 2% on lease fees.

The cost of sales increased by 83% due to the cost of residential plots sold and the rise in cost of water purchased from Lusaka Water & Sanitation Company in the year under review.

The operating expenses rose by 47%, mainly driven by the increase in provision for doubtful debtors, labor costs, fuel & lubricants, insurance & licenses and rise in depreciation expenses in the year under review.

We have put in place measures to address the high cost of running our business such as plans to switch from Diesel Generator to Solar as alternative source of energy during load management, effective engagement with Customers who have long outstanding receivables and labor optimization.

Our EBITDA margin has improved to 16% in 2024, from negative -1%, recorded in 2023 and 8% posted in 2022.

Our working capital has continued to improve with current and liquidity ratios closing at 17.30 and 4.24 respectively, above the ratio of 1.

The company's Return on Investments and Asset turnover marginally increased to 1% and 0.03 in 2024 due to assets which are not contributing to the revenue lines such as investment in electricity and telecommunication infrastructures. The company has put in strategies that will ensure that these investments in these assets will start contributing to the revenue line in the 2025 financial year.

The Ministry of Finance and National Planning through the Secretary to Treasury released Grants amounting to ZMW55 million in 2024. The Grants are specifically meant for infrastructure development in the Economic Zone.

The company closed with cash in hand of ZMW98.3 million, out of which 90% of these funds are committed to capital projects in the Economic Zone.

Financing of Libala Water Works Project

The company has finalized negotiations with Lusaka Water & Sanitation Company to construct the 8 Kilometer water pipeline from Libala Water Works to the Economic Zone at an estimated cost of US\$3.5 million.

This is expected to boost water supply in the Economic Zone as the demand of water is expected to increase with more Investors have come on board and existing ones are expanding their operations.

Mr. Progress Saiwana

Director Finance

Strategic Overview

The current strategic plan which has been running from 2021 to 2025, was reviewed and revalidated in 2024, to align it to the new direction of our shareholders, Industrial Development Corporation Limited.

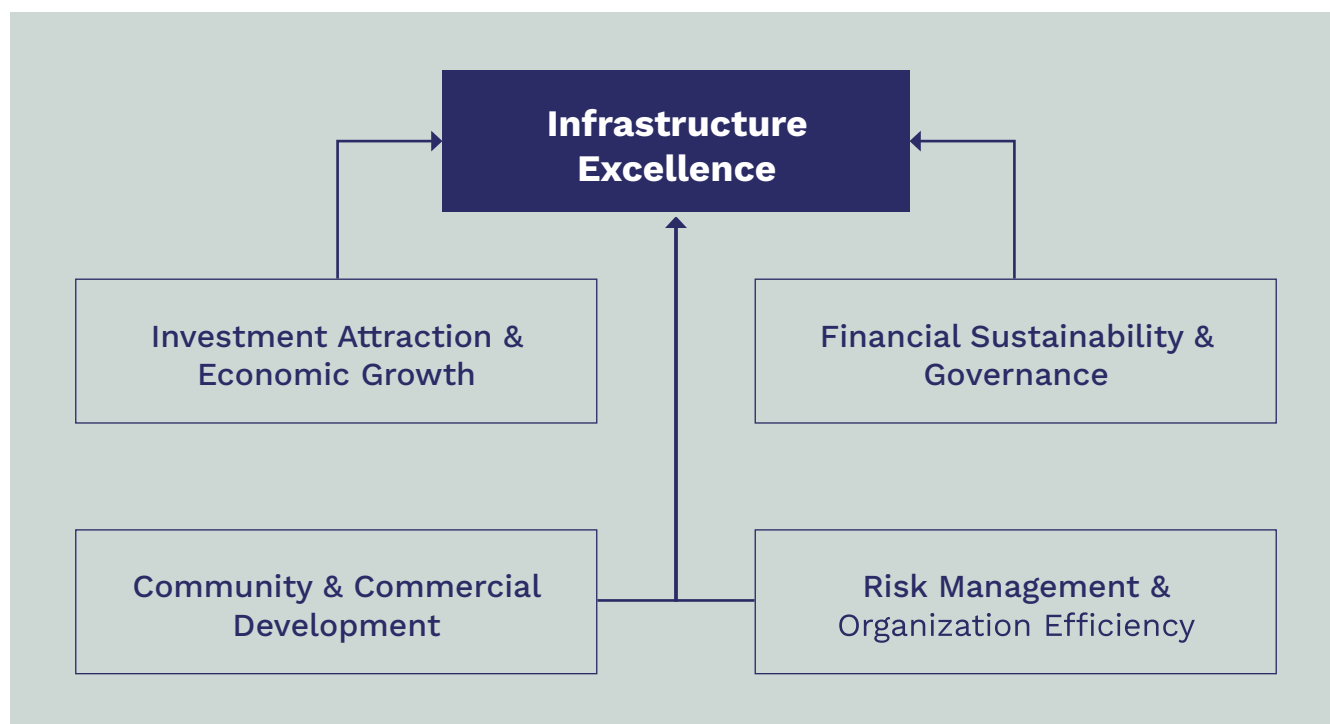
Our Strategic for 2021 to 2025 was anchored on the following Strategic Goals.

- Achieve Financial Sustainability
- Improving Infrastructure Capacity for Sustainable Development
- Develop LS MFEZ Brand to be an Investment Destination of Choice
- Become a Centre of Excellence in Our Business Conduct

Strategic Plan 2025 to 2040

The revised Strategic Plan will run for 15 years and will be implemented in five-year Strategic themes. The revised strategic plan was necessitated by the changes in the micro and macro-economic factors and the new strategic direction as guided by the Shareholders.

The Strategy is anchored on the following pillars:



- Infrastructure Excellence
- Investment Attraction & Economic Growth
- Community & Commercial Development
- Financial Sustainability & Governance
- Risk Management & Organization Efficiency

The revised strategic plan is intended to grow the business and transform it into a financially sustainable entity, resulting in value creation for shareholders.

Performance Scorecard

Our performance scorecard sets out the key performance indicators that we measure and manage in executing our strategy.

Strategic Goal	Objectives	Strategic Activities	Achievement	Actual	Target	2024	2023	2022	2021
Strategic Goal 1									
Achieve Financial Sustainability									
	Mobilise sufficient financial resources to expend business infrastructure	Turnover - ZMW'000	100%	97%	10%	146,783	74,370	70,010	25,150
	Maximize shareholder value	Dividend - ZMW'000	100%	35%	35%	10,207	1,597	2,000	1,200
	Expand and diversify revenue base	Other Incomes - ZMW'000	50%	41%	5%	16,807	11,950	15,296	10,594
		Lobby GRZ Grants 'ZMW'000	37%	55,000	150,000	55,000	35,000	36,236	3,387
Strategic Goal 2									
Expand service infrastructure to accommodate new investors									
	Expand service infrastructure to accommodate new investors	Road construction							
		Asphalt Roads - Kilometer	0%	0	50	0	0	0	0
		Gravel Roads - Kilometer	55%	22	40	7	6	5	4
		Retention Bond	0%	0	2	Work in Progress			
		Drainage network system - 10 Kilometers	100%	10	10	1	3	3	3
		Water Infrastructure							
		Construction of Water Reservoir	0%	0%	2023	0	0	0	0
		No: of Boreholes	70%	7	10	5	2	2	1
		Water production per day m^3	100%	7,077	5,000	7,077	6,400	4,737	3,500

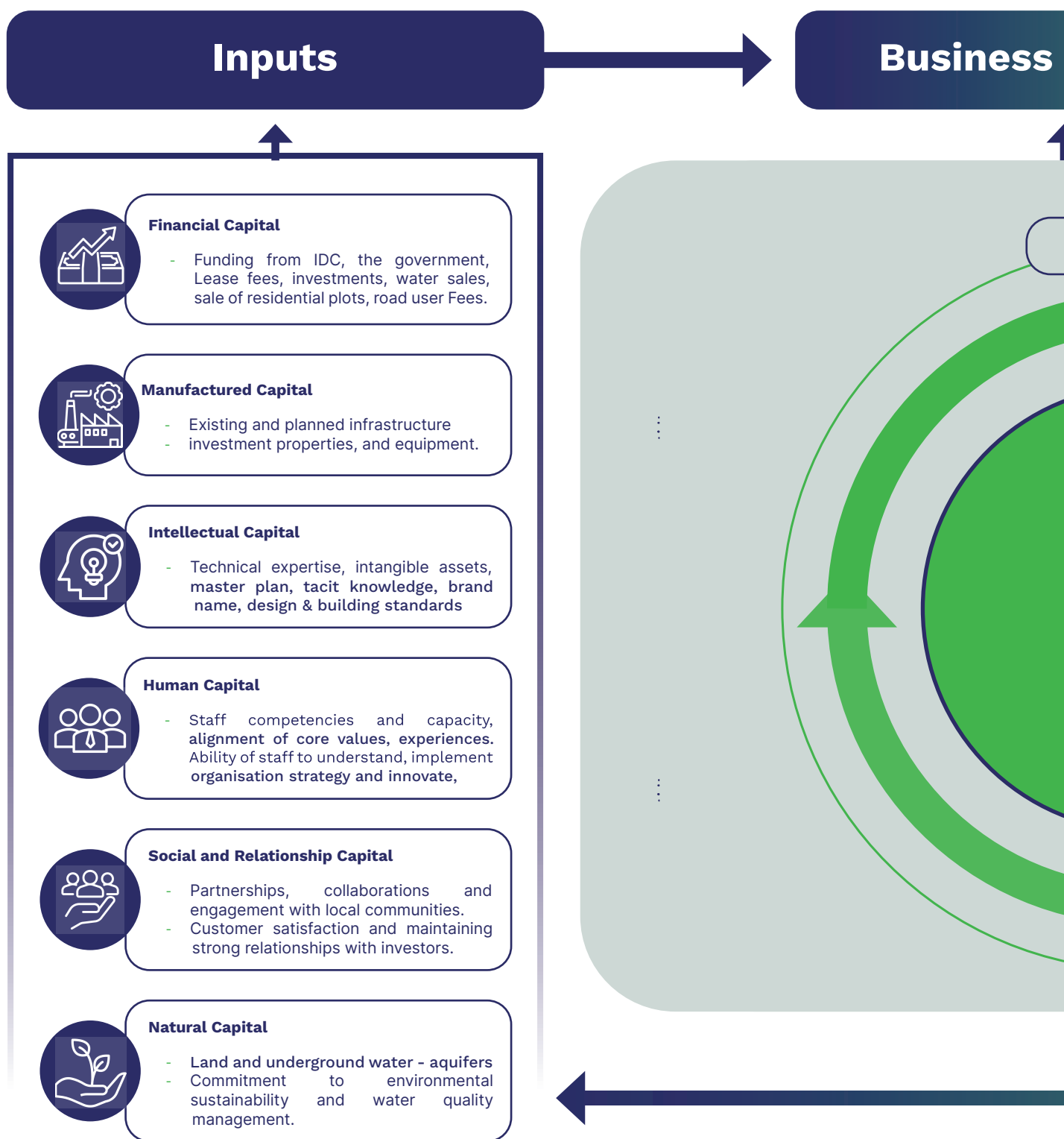
Strategic Overview - continued

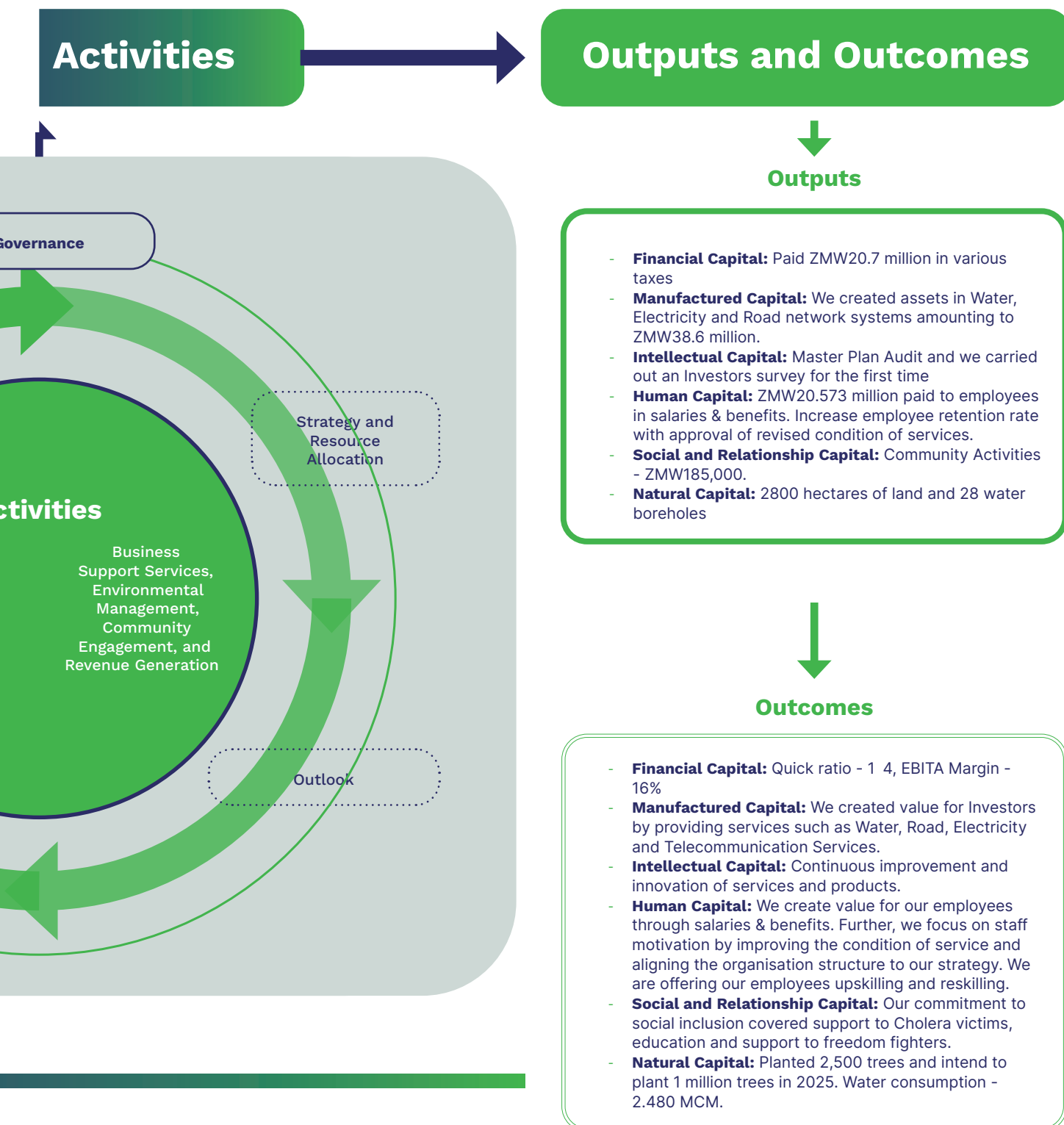
Strategic Goal	Objectives	Strategic Activities	Achievement	Actual	Target	2024	2023	2022	2021
		Electricity Infrastructure							
		Construction of 30 kilometer of distribution network systems	59%	18	30	10	3	4	2
		Maintain and protect existing infrastructure from collapse	100%	100%	100%	100%	100%	100%	100%
		Innovate products for improved service delivery	100%	20	20	100%	0%	0%	0%
		Design and implement new website of LSMFEZ	50%	50%	0%	0%	0%	25%	25%
		Review Master Plan	0%	0%	0%	0%	0%	0%	0%
Strategic Goal 3									
Develop LS MFEZ Brand to be an Investment Destination of Choice									
	Strengthen institutional capacity	Lobby for improved Incentive	50%	50%	100%	50%	50%	50%	50%
	Streamline internal policies and processes for improved efficiency	Develop Investor Profiling Database	0%	0%	100%	0%	0%	0%	0%
	Enhanced after service customer care	Lobby ZEMA to prioritize LS MFEZ applications	50%	50%	100%	50%	25%	25%	25%
		Attract Investment interest from international investors	100%	100%	100%	100%	50%	25%	25%
		Develop interactive online media	0%	0%	100%	0%	0%	0%	0%

Strategic Goal	Objectives	Strategic Activities	Achievement	Actual	Target	2024	2023	2022	2021
Strategic Goal 4									
Become a Centre of Excellence in Our Business Conduct									
	To Strengthen Institutional Capacity Building	Employ key staff to implement strategy	25%	25%	100%	25%	25%	25%	25%
		Upgrade ICT Infrastructure	25%	25%	100%	25%	25%	25%	25%
		Training and Development	50%	50%	100%	50%	25%	25%	25%
		Employee Engagement	75%	100%	100%	75%	50%	25%	25%
	Streamlining Internal Processes and Policies for improved Efficiency	Implementation of Corporate Governance Policies	100%	100%	100%	100%	100%	100%	100%
		Compile and Publish Internal Manuals	75%	75%	100%	75%	50%	25%	25%
		Enhance inspections of investors to MFEZ operations	50%	50%	100%	50%	25%	25%	25%
		Develop Investor application/ Appraisal Guidelines	50%	50%	100%	50%	25%	25%	25%
	Enhance LS MFEZ After Service Care	Develop Investor Guidelines for investing	100%	100%	100%	100%	75%	50%	25%
		Develop Electronic Customer Relationship	0%	0%	100%	0%	0%	0%	0%
		Develop Online Catalogue for LSMFEZ Investor Products	0%	0%	100%	0%	0%	0%	0%

We have learnt key lessons in areas where we could not meet our target and will now focus on implementation of the revised strategic plan which comes into effect in 2025. We shall continue to monitor the revised strategic plan performance, to ensure we deliver value to our Investors and Shareholders who have entrusted us with the responsibility to manage the public resources.

Strategic progress through our Business Model





Get Noticed

It's our promise, Our only goal for you.



Place your brand in front of key investors, businesses, and commuters with high-visibility billboard spaces in LS-MFEZ.



Our New Operational Industries

Our New Operational Industries

PDV Metals Limited



PDV (Powerful, Diligent, Veracious) Metal Steel Plant – a flagship project in LS-MFEZ, driving Zambia's self-sufficiency in steel production, job creation, and industrial growth through private sector investment.

Inventa Energy Limited



Inventa Energy – powering progress in LS-MFEZ with innovative and sustainable energy solutions, driving industrial growth and efficiency in Zambia

Our New Operational Industries

Muhangano Limited



Muhangano – refreshing the market with quality beverages, proudly produced in LS-MFEZ to support Zambia's growing manufacturing sector

KingsWorth Group Limited



Kings Worth – a key player in LS-MFEZ, driving industrial excellence and contributing to Zambia's economic growth through innovation and investment.

Our New Operational Industries

Far Property



Far Property-Bonded Warehouse for Retail Stores – offering secure and efficient storage solutions in LS-MFEZ, optimizing the supply chain and supporting Zambia's retail and wholesale sectors

Good Nature Agro



Good Nature Agro – advancing sustainable agriculture in LS-MFEZ with innovative solutions that boost productivity, support farmers, and drive Zambia's agribusiness growth

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Highlights Of The **Year**



President Hakainde Hichilema commissioned the Powerful Diligent Veracious (PDV) metal steel plant, a flagship project in Lusaka's South Multifacility Economic Zone (MFEZ). This state-of-the-art facility showcases successful joint ventures between Zambian citizens and foreign investors, driving economic growth and development¹. The PDV plant marks a significant milestone in Zambia's journey towards self-sufficiency in steel production and has created employment opportunities, especially for youth and women. Our government remains committed to fostering private sector growth in the manufacturing sector



The LSMFEZ Board of Directors and Management conducted a benchmarking tour in Malaysia to explore best practices in economic zone development. The tour included a courtesy call to H.E. Morecome Mumba and visits to Kulim Hi Technology Park (KHTP) in Kedah, Bantu Kwan Industrial Park, and the Malaysia Investment Development Authority (MIDA) in Penang. They also engaged with the Penang Development Corporation (PDC), MIDA Head Office in Kuala Lumpur, and the Malaysia Digital Economy Corporation (MDEC), gaining insights into economic zone management, digital transformation, and investment facilitation.



Hon. Dr. Situmbeko Musokotwane, Minister of Finance and National Planning, visited the Lusaka South Multi Facility Economic Zone (LS MFEZ) on February 1, 2024. The Minister toured British American Tobacco, Big Tree, and Keda Ceramics, reaffirming the UPND Government's commitment to creating private sector jobs through the LS MFEZ.



His Royal Highness Chief Mumena, accompanied by Kalumbila Town Council members, visited the Lusaka South Multi-Facility Economic Zone to study its operational success. The visit aimed to explore best practices for potential replication in Kalumbila District, fostering investment and economic growth. The engagement included discussions and a tour, highlighting key strategies for sustainable development.

Directorate

Board Members



Mr. Boster H. Chiyaba
Board Chairperson

Boster Harry Chahiyaba is a seasoned Registered Architect with 27 years of experience, who founded and manages BHC + Visiona Futurama Limited. His expertise spans planning, designing, and managing building infrastructure projects, with notable collaborations with UNICEE, NWE Consulting Engineers, and the Ministry of Works and Supply. Holding advanced degrees from esteemed institutions - a Master's in Architecture (Human Settlements) from the Catholic University of Leuven and a Bachelor's in Architecture from the Copper University - he is well-versed in Building and Civil Works Contract Procedures and currently serves as Board Chairperson.



Mr. Philip Muyumbana
Non-Executive Board Member

Phillip Muyumbana is an experienced Construction Professional and Registered/ Chartered Quantity Surveyor with 33 years in the construction industry. He possesses skills in value engineering, project management, cost estimation, and contract management.

Phillip is currently Managing Partner at Phil Consult Limited. Previously, he was Director of Projects at National Pension Scheme Authority (2016-2021). Phillip holds a Master of Science in International Construction Management and is an accredited RICS Civil Commercial Mediator. He is a member of CIARB, RICS, QSRB, and EIZ.



Mr. Sanga Mataka
Non-Executive Board Member

Sanga Mataka is a finance and audit professional with 18 years of experience. He is a Chartered Accountant with a Master of Business Administration. Sanga is a Fellow of ZICA and ACCA (UK), with a diploma from the Association of Accounting Technicians UK.

Sanga's experience includes Director Finance and Operations at Project Concern Zambia (October 2020 – to date) and Director Administration and Finance at Society for Family Health, Zambia (2015 to May 2020). He also served as Deputy Country Representative and Director Internal Audit.

His core competencies include strategic planning, budgeting, and risk management. Sanga has international work experience in Washington DC, Tanzania, Zimbabwe, and Canada.



Mrs. Kasumpa Mwansa Kabalata
Non-Executive Board Member

Kasumpa Mwansa Kabalata is a highly experienced Legal Practitioner and the Managing Partner at Chalwe and Kabalata Legal Practitioners. With 26 years of experience, she brings expertise in both private and public practice.

Previously, Kasumpa spent 15 years at ZESCO Limited, culminating in the role of Senior Manager & Assistant Company Secretary. Her skills encompass legal drafting, company secretarial functions, and providing legal counsel.

Kasumpa holds a Master of Laws in Business & Trade Law and a Post Graduate Diploma in Women's Law. She is also a Trained Mediator and Arbitrator and is admitted to practice as an Advocate in Zambia.



Mr. Chandrakant D. Tailor
Non-Executive Board Member

Chandrakant D. Tailor is an accomplished businessman with over 55 years of experience in Zambia and abroad. He has managed businesses from Greenfield and Turnkey projects to Turnaround projects. Chandrakant has experience in structuring project financing and developing strategies for operation, sustenance, and profitability.

His experience includes car and gasoline sales, garment manufacturing, textile manufacturing, and copper wire rod plant. Currently, he is a Managing Consultant and Shareholder for Golfview Hotels. He has consultancy experience in economics and Zambian business environment.



Mr. Mwiza Mseteka
Managing Director

Mr. Mwiza Mseteka was appointed Managing Director of LSMFEZ on 7th October 2024. He brings of 26 years extensive expertise in corporate governance, strategic planning, and project management, he is also certified in purchasing, supply, and mediation as He has successfully led initiatives in multi-purpose land use, solar energy projects, and economic strengthening with USAID.

His strengths in stakeholder engagement, resource management, and community development reflect a deep commitment to fostering inclusive growth and impactful development within Zambia and the African region.

He holds an Executive MBA in Leadership and Wealth Creation from the University of Lusaka and a Bachelor of Arts in Economics from the University of Zambia.



LUSAKA SOUTH
MULTI-FACILITY
ECONOMIC ZONE
LIMITED

INVEST IN THE LUSAKA SOUTH MULTI FACILITY ECONOMIC ZONE (LS MFEZ)



134

APPROVED
INVESTMENTS.

25

COMPANIES
OPERATIONAL.

21

COMPANIES
CONSTRUCTING.

USD 1.5 BILLION

TOTAL INVESTMENT. FROM 2021 TO 2024

GAP AREAS FOR INVESTMENT:

1. Low-income housing
2. High-Cost Housing
3. Shopping Malls & Office Spaces
4. Institutional Land
5. High Tech Industries

6. Hotels and conferencing
7. Play Parks
8. Recreational facilities
9. Fin-Parks
10. Golf- Course

The Lusaka South MFEZ was designated as an economic zone on 28th June 2010, born out of the Zambia Development Agency Act No. 11 of 2006. The Zone is planned to attract both foreign and local investors. It is a mixed use development intended to become a modern town with all supporting amenities. Invest a minimum of \$50,000 and enjoy incentives:

- Accelerated depreciation on capital equipment and machinery (fixed assets)
- Zero percent tax for a period of 10 years from the first year of commencement of works in the MFEZ on dividends declared, on profits made or exports by companies operating within the MFEZ under the Zambia Development Agency (ZDA) Act No. 11 of 2006;
- A further exemption from years 11 to 13 of 50% of profits to be taxed
- For years 14 to 15 only 75% of profits to be taxed

Investors with capacity are welcomed to engage further with us

Tel: 260 211485000-1 | info@lsmfez.co.zm

Executive Management Team



Mr. Mwiza Mseteka
Managing Director



Mrs. Inonge Gondwe
Director legal



Mr. Progress Saiwana
Director Finance



Mr. Maxwell Zulu
Director Planning & Compliance



Mr. Masauso Mwenda
Director Business Development & Marketing



Ms. Jennipher Mbewe
Acting Director Internal Audit



Ms. Nyambe Sasaa
Executive Assistance to the MD

Management Team



Mr. Brown Zimba
Finance & Administration Manager



Mr. Ackim Kabesha Nguni
Procurement Manager



Mrs. Sithembiso Chiboola Ngulube
Manager - Human Resources



Mr. Philip Mwansa
Manager Technical



Mrs. Chileshe M. Mataa
Manager Planning & Compliance



Ms. Trasy Mulenga
Commercial Manager



Ms. Nsama Chileshe
Acting Corporate Affairs Manager

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Stakeholders Engagement

Stakeholder engagement

At the LSMFEZ, stakeholder engagement is a cornerstone of investment growth, regulatory compliance, and sustainable development. Identifying and engaging stakeholders effectively ensures that LSMFEZ remains a thriving hub for industrial development and economic progress.

Identifying Key Stakeholders

Stakeholder identification at LSMFEZ follows a structured process that evaluates both the influence and interest of different groups in the zone's operations. This approach enables LSMFEZ to prioritize engagement efforts and foster strong, strategic partnerships. The key steps in this process include:

1. Stakeholder Mapping Exercise

LSMFEZ categorizes stakeholders based on:

- Power – Their ability to influence decisions within the zone.
- Interest – Their level of concern regarding LSMFEZ's activities.

This mapping helps pinpoint key individuals or groups requiring close engagement while determining those who need less frequent attention.

2. Alignment with LSMFEZ's Strategic Goals

Understanding LSMFEZ's long-term objectives—such as attracting investment, fostering industrial growth, and job creation—helps identify stakeholders with a vested interest in these goals. These include investors, government agencies, service providers, and local communities.

3. Assessing Stakeholder Impact

Stakeholders are evaluated based on how much they influence or are influenced by LSMFEZ's operations. This ensures that engagement efforts are directed toward those who play a critical role in the zone's success.

4. Internal and External Consultations

- Internal Engagement: LSMFEZ collaborates with its internal departments—such as Commercial, Operations, and Marketing—to identify external groups they frequently interact with.
- External Engagement: Insights are gathered from local communities, industry reports, and economic consultations to ensure all relevant stakeholders are accounted for.

5. Data-Driven Decision-Making

LSMFEZ leverages market research, industry analyses, and existing reports to identify key businesses and sectors—such as manufacturing, logistics, and services—that stand to benefit from its infrastructure and services.

6. Continuous Monitoring and Review

As LSMFEZ evolves, stakeholder dynamics change. Conducting regular reviews, at least annually, ensures that new stakeholders are identified and engagement strategies remain relevant.

7. Establishing Feedback Mechanisms

Maintaining open communication through surveys, stakeholder meetings, and engagement forums helps LSMFEZ address emerging concerns, identify new opportunities, and refine its approach.

Engagement and Communication Strategies

To maintain effective stakeholder relationships, LSMFEZ employs tailored engagement methods that align with each stakeholder's role and influence. Recognizing that stakeholder interests vary, the zone ensures that communication is structured, inclusive, and responsive to evolving needs.

By integrating a systematic approach to stakeholder engagement, LSMFEZ fosters an environment that enhances investor confidence, operational efficiency, and long-term economic sustainability. Through ongoing dialogue, strategic initiatives, and proactive engagement, LSMFEZ continues to position itself as a premier destination for investment and industrial development in Zambia.

Government

Description		
Frequency	Quarterly, monthly or as needed	
Methods of engagement	Annual reports, Monthly reports, One on one meetings, Email communication and letters	
What are their interests?	<ul style="list-style-type: none"> - Economic development and industrial growth - Policy meetings, regulatory updates, and advisory committees to ensure compliance and alignment with national development goals. - Tax revenue and compliance - Infrastructure development - Policy implementation - Environmental and labor standard 	
Outputs and outcomes	<ul style="list-style-type: none"> - Stakeholder feedback reports, - Improved stakeholder satisfaction and trust - Better regulatory compliance - Better services delivery and operational efficiency - Aligning with national development goals 	
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - Driving Economic Growth – LSMFEZ attracts both local and foreign investments, contributing to Zambia's GDP. - Job Creation and Industrialization – By hosting manufacturing, logistics, and service industries, LSMFEZ generates employment and promotes industrial development. - Revenue Generation – LSMFEZ contributes to tax revenue through business activities, boosting national income. - Policy Implementation Partner – Assisting the government in implementing industrialization and economic diversification strategies. - Sustainable Development Initiatives – Ensuring industries comply with environmental laws and promoting green initiatives. 	
Key Engagement(s)	<p>LSMFEZ paid a K1,596,537 dividend to the Industrial Development Corporation (IDC) following its improved financial performance in 2023, with a profit after tax of ZMW 3,547,860, up from ZMW 2,890,304 in 2022. This marked the third consecutive year of dividend declarations, bringing the total payout to ZMW 6,091,192. LSMFEZ Board Chairperson Mr. Boster Chiyaba presented the cheque to IDC Chief Financial Officer Mr. Raphael Chipoma, who commended LSMFEZ for its performance and ongoing revenue expansion efforts.</p>	



Stakeholder engagement - continued

Regulators

Description	ZEMA Regulates environmental compliance for businesses in the zone.	
Frequency	LSMFEZ frequently engages with ZEMA due to the continuous influx of new investors. LSMFEZ is compliant with the ZEMA regulations which includes conducting environmental impact assessments(EIAs) for new investments implementing waste management strategies and adhering to zoning guidelines. LSMFEZ ensures that all new developments within the zone align with the recognised laws of Zambia, promoting responsible industrial growth and environmental sustainability,	
Methods of engagement	<ul style="list-style-type: none"> - Personalized interactions - Direct Communication 	<ul style="list-style-type: none"> - Email Communication - Phone Calls & letters
What are their interests?	<ul style="list-style-type: none"> - Ensuring that all investments within LSMFEZ adhere to Zambia's environmental laws and regulations. - Promoting environmentally sustainable industrial development through proper waste management, pollution control, and resource conservation. - Reviewing and approving Environmental Impact Assessments EIAs for new projects to mitigate potential environmental risks. 	<ul style="list-style-type: none"> - Conducting inspections and audits to ensure ongoing compliance with environmental standards. - Safeguarding surrounding communities and ecosystems from potential negative effects of industrial activities.
Outputs and outcomes	<ul style="list-style-type: none"> - Better regulatory compliance - Increased community development & social responsibility 	<ul style="list-style-type: none"> - Ensuring risk Mitigation - Ensuring Environmental Protection
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - LSMFEZ provides a controlled environment where investors must adhere to environmental regulations, making it easier for ZEMA to enforce compliance. - LSMFEZ supports ZEMA's mission of ensuring sustainable development with minimal environmental impact. - The zone's centralized management allows ZEMA to conduct streamlined inspections and assessments rather than dealing with scattered industrial sites. 	<ul style="list-style-type: none"> - LSMFEZ attracts investors who adopt eco-friendly technologies and sustainable waste management solutions, aligning with ZEMA's environmental goals. - The zone demonstrates how industrialization and environmental stewardship can coexist, setting a precedent for responsible development.
Key Engagements	Good Nature Agro Construction Underway: ZEMA Approved	



Investors & Businesses

Description	Local and Foreign Investors – Companies investing in manufacturing, processing, logistics and other services. Operational Companies – Businesses that have set up in LSMFEZ	
Frequency	Existing and potential investors receives frequently engagements through one-on-one meetings. These interactions address operational needs, investment climate concerns, and opportunities for business growth within LSMFEZ.	
Methods of engagement	<ul style="list-style-type: none"> - One on one meetings - Letters - Emails - Direct calls - Website - Stakeholder forums - Surveys and feedback mechanisms 	
What are their interests?	<ul style="list-style-type: none"> - Stable and favorable business environment - Tax incentives and business benefits - Reliable infrastructure and utilities - Security and safety - Access to markets and trade opportunities - Fair and transparent lease agreements - Efficient regulatory compliance support - Growth and expansion opportunities 	
Outputs and outcomes	<ul style="list-style-type: none"> - Investment commitments & agreements - Stakeholder feedback - Infrastructure & service enhancements - MOU & Partnerships - Better service delivery and operational efficiency 	
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - Cost Savings Through Incentives – LSMFEZ offers tax holidays, duty-free imports, and investment-friendly policies, reducing operational costs. - Access to High-Quality Infrastructure – Investors benefit from well-developed roads, reliable electricity, water supply, security, and ICT services. - Facilitated Business Networking – Investors gain access to trade fairs, investment forums, and business matchmaking opportunities. - Strategic Business Location – LSMFEZ provides businesses with proximity to regional and international markets, enhancing trade opportunities. - Regulatory and Compliance Support – Assisting investors in navigating business registration, environmental compliance, and licensing requirements. 	
Key Engagements	Eswatini Delegation Visits LSMFEZ	

LSMFEZ was pleased to host a delegation from the Eswatini Investment Promotion Authority, led by the Zambia Development Agency ZDA. The visit aimed to explore LSMFEZ's mandate, promotion strategies, and occupancy rate. The delegation also toured the zone, reflecting the growing interest in Zambia's economic zones and opportunities for regional cooperation.



Stakeholder engagement - continued

Financial Institutions

Description	These are commercial Banks that provide financial services, loans and trade finance to investors as well as support long-term investment projects	
Frequency	Banks and development finance institutions DFIs are engaged when needed through financing discussions and trade finance workshops. These engagements help facilitate investment financing and support the financial sustainability of investors within LSMFEZ.	
Methods of engagement	<ul style="list-style-type: none"> - Direct Communication - Email Communication - Phone Calls & letters 	<ul style="list-style-type: none"> - One on one meetings - Events & conferences
What are their interests?	<ul style="list-style-type: none"> - Profitable investment opportunities - Risk management and compliance 	<ul style="list-style-type: none"> - Access to credit and financing
Outputs and outcomes	<ul style="list-style-type: none"> - Increased availability of funding for investors setting up in LSMFEZ. - Residential clients can also access mortgage loans through LSMFEZ's MoU with financial institutions, making homeownership more accessible. - Public-Private Partnerships PPPs – Collaboration on infrastructure projects through bank-financed initiatives. 	<ul style="list-style-type: none"> - Customized Financial Products – Development of investment-friendly loan packages, trade finance, and working capital solutions. - Investor Confidence – Improved perception of LSMFEZ as a financially viable investment destination.
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - LSMFEZ provides banks and investors with a platform to finance high-potential businesses. - A well-regulated and secure investment zone that reduces financial risks. 	<ul style="list-style-type: none"> - Opportunities for banks to provide credit, trade finance, and investment advisory services.

Utility & Service Providers

Description		
Frequency	Frequently	
Methods of engagement	<ul style="list-style-type: none"> - One on one meetings - Direct calls - contract meetings. 	<ul style="list-style-type: none"> - Emails - Letters - performance reviews
What are their interests?	<ul style="list-style-type: none"> - Business contracts and long-term engagements - Timely payments and fair pricing 	<ul style="list-style-type: none"> - Clear procurement processes
Outputs and outcomes	<ul style="list-style-type: none"> - Infrastructure and service enhancement - Improved stakeholder satisfaction and trust 	<ul style="list-style-type: none"> - Better service delivery and operational efficiency - Developing Infrastructure
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - Business Growth Opportunities – LSMFEZ creates demand for goods and services, benefiting local suppliers and contractors. - Long-Term Contracts and Stability – Service providers enjoy steady revenue from ongoing engagements with investors. 	<ul style="list-style-type: none"> - Transparent Procurement and Fair Competition – LSMFEZ ensures open and competitive bidding processes for contracts.
Key Engagements	LSMFEZ signed a Power Purchase Agreement (PPA) with ZESCO in 2024 to buy bulk power and distribute within the zone. LSMFEZ has partnered with Lusaka Water Supply and Sanitation Company (LWSC) to develop a bulk water supply line from Libala Waterworks, ensuring reliable water and sanitation services for investors and residents.	

Employees & Workforce

Description	LSMFEZ management & Staff – Oversee daily operations and investor relations.	
Frequency	LSMFEZ staff and investor employees participate in customer service surveys.	
Methods of engagement	<ul style="list-style-type: none"> - Emails - Letters - One on one meetings - Direct calls/ memos 	<ul style="list-style-type: none"> - Workshops - Feedback mechanisms - Monthly and Quarterly reports
What are their interests?	<ul style="list-style-type: none"> - Employment and skills development 	
Outputs and outcomes	<ul style="list-style-type: none"> - Reports and policy documents - Marketing and promotions - Increased investments in the zone - Improved stakeholder satisfaction - Better regulatory compliance 	<ul style="list-style-type: none"> - Better service delivery and operational efficiency - Aligning with national development goals - Ensuring tax and legal compliance - Implementing corporate social responsibility - Ensuring transparent procurement process
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - LSMFEZ companies provide job opportunities for local workers in various sectors. 	
Key Engagements	LSMFEZ strengthened its team by adding a senior management member and a procurement intern, enhancing leadership capacity and operational efficiency.	

Local Communities & Traditional Leaders

Description	Surrounding Communities – provide labor and benefit from economic spillovers. Traditional authorities – Play a role in land and community relations.	
Frequency	Engagement with local communities and traditional leaders occurs as necessary through community meetings, corporate social responsibility (CSR) programs, and town halls. These interactions foster social inclusion, local employment opportunities, and community development.	
Methods of engagement	<ul style="list-style-type: none"> - One on one meetings - Town hall meetings - Website - Letters 	<ul style="list-style-type: none"> - Events - Trade shows and expos - Direct calls
What are their interests?	<ul style="list-style-type: none"> - Corporate social responsibility initiatives - Environmental protection 	<ul style="list-style-type: none"> - Business opportunities for SMEs
Outputs and outcomes	<ul style="list-style-type: none"> - Marketing and promotions - Economic growth and job creation - Ensuring environmental protections 	<ul style="list-style-type: none"> - Implementing corporate social responsibility - Providing business opportunities
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - Indirect benefits such as better roads, schools, healthcare facilities, and utilities for nearby communities. 	<ul style="list-style-type: none"> - Encouraging corporate social responsibility (CSR) projects that support education, health, and social welfare programs.

Stakeholder engagement - continued

International Partners & Organizations

Description	Foreign governments & Trade Missions – encourage investment and trade partnerships. Multilateral Organizations (e.g, world Bank, UNIDO, AfDB – Support economic development initiatives.	
Frequency	Foreign embassies, trade missions, and international organizations such as the World Bank and UNIDO are engaged as needed through investment expos, trade fairs, and diplomatic discussions to attract foreign direct investment and strengthen global partnerships.	
Methods of engagement	<ul style="list-style-type: none"> - Website - Emails - Letters 	<ul style="list-style-type: none"> - Events and conferences - Trade shows and expos - Online publications
What are their interests?	<ul style="list-style-type: none"> - Trade facilitations and export opportunities - Compliance with international standards 	<ul style="list-style-type: none"> - Bilateral investment opportunities
Outputs and outcomes	<ul style="list-style-type: none"> - Investments commitments and agreements - Increased investments in the zone 	<ul style="list-style-type: none"> - Economic growth and job creation - Promoting sustainable development
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - Facilitation of trade and investment - Compliance with global standards 	<ul style="list-style-type: none"> - Strengthened bilateral relations

Media

Description	Radio stations, TV stations , online media and Newspapers	
Frequency	The public and media are engaged quarterly through press releases, media briefings, and social media updates. This ensures transparency, public awareness, and positive brand positioning for LSMFEZ.	
Methods of engagement	<ul style="list-style-type: none"> - Direct calls - Emails - Talk shows - Trade show and expos 	<ul style="list-style-type: none"> - Newsletters - Events and conferences - Press Briefing & Media Tour
What are their interests?	<ul style="list-style-type: none"> - Coverage of new investors, business expansions, and economic impact. - Updates within the zone. 	<ul style="list-style-type: none"> - Participation in investment forums, expos, and stakeholder engagements.
Outputs and outcomes	<ul style="list-style-type: none"> - Increased Visibility and Investor Awareness - Improved understanding of LSMFEZ's role in economic development. - Timely Information Dissemination 	<ul style="list-style-type: none"> - Higher Investor ConfidencePolicy Influence - Sustained Brand Credibility - Stronger brand positioning through strategic media messaging.
What value does LSMFEZ add to the stakeholder?	<ul style="list-style-type: none"> - Newsworthy Content - Exclusive Access to Investment Trends 	<ul style="list-style-type: none"> - Project updates - Event and Conference Highlights
Key Engagements	<ul style="list-style-type: none"> - Minister of Finance Tour – Covered by media to highlight government interest and economic prospects within the zone. - Press Briefing & Media Tour – Showcased actualized investments to demonstrate LSMFEZ's growth and investor confidence. - Hot FM Radio Talk Shows – Promoted commercial land opportunities for hotels, financial parks, schools, and a golf course. 	

General Public

Description	Direct or indirectly individual affected by our business at the LSMFEZ	
Frequency	The public and media are engaged quarterly through press releases, media briefings, and social media updates. This ensures transparency, public awareness, and positive brand positioning for LSMFEZ.	
Methods of engagement	<ul style="list-style-type: none"> - Social media - T.V - Radio 	<ul style="list-style-type: none"> - Online publication - Website - Direct calls
What are their interests?	<ul style="list-style-type: none"> - Job Seekers & Workforce – Seek employment, skills development, and fair labor practices within LSMFEZ industries. - Entrepreneurs & SMEs – Interested in business opportunities, supplier contracts, and access to commercial spaces. - Educational Institutions & Students – Look for internship opportunities, research collaborations, and skills training programs. - Suppliers & Service Providers – Interested in contracts for goods and services such as construction, logistics, and maintenance. 	<ul style="list-style-type: none"> - Consumers & End-Users – Interested in access to new products, improved services, and competitive pricing from businesses operating in LSMFEZ. - Environmental Groups & NGOs – Concerned about sustainability, pollution control, and responsible industrial practices. - Broader Business Community – Interested in how LSMFEZ's growth impacts trade, supply chains, and economic policies in Zambia.
Outputs and outcomes	<ul style="list-style-type: none"> - Increased job creation and workforce development. - Growth of SMEs and business opportunities. - Enhanced supplier and service provider networks. - Improved education-industry collaborations. - Greater consumer access to diverse products and services. 	<ul style="list-style-type: none"> - Strengthened sustainability and environmental compliance. - Economic growth and industrial expansion. - A skilled and competitive workforce. - A thriving entrepreneurial ecosystem. - Sustainable and responsible industrial practices. - Increased investor confidence and market competitiveness.
What value does LSMFEZ add to the stakeholder?		

Special Engagement Scenarios - In addition to scheduled interactions, LS-MFEZ prioritizes immediate engagement during crisis situations, new investment announcements, and major infrastructure updates. This ensures effective communication, rapid response, and stakeholder alignment in critical situations.

CSR and Local Business Development

The company's policy is to give back to the Community as part of its Corporate Social Responsibility (CSR).

In 2024, the Company strengthened its Corporate Social Responsibility efforts through various impactful donations aimed at improving healthcare and community well-being.

During the year, the company's budget allocation towards CSR increased to ZMW185,000 compared to ZMW60,000 spent in 2023.

Cholera Mitigation

Responding to the cholera outbreak affecting local communities, LS-MFEZ donated an assortment of cleaning and sanitation supplies valued at ZMW 50,000 to Levy Mwanawasa Teaching Hospital. Items such as chlorine, disinfectants, water, and industrial washing powder were provided to help curb the spread of the disease. This gesture was aimed at supporting health institutions during the cholera crisis that the Country experienced.

These initiatives continue to demonstrate the company's commitment to social impact, ensuring that economic development goes hand in hand with community support.



Fighting Childhood Cancer - Better Survival

Fundraising Golf Tournament

In support of the Kayula Childhood Cancer Foundation's Transit Home Project, LS-MFEZ contributed ZMW 10,000 to the Better Survival Fundraising Golf Tournament. This donation aimed to assist children undergoing cancer treatment, furthering LS-MFEZ's role in fostering community health and well-being.

Honoring Freedom Fighters



As part of Zambia's 60th Independence celebrations, the company donated blankets and mattresses to freedom fighters in Kafue District. This act of appreciation honored the sacrifices made by Zambia's heroes and demonstrated the committed by Management to recognize of the contributions made to the nation by the Freedom Fighters.

Supporting Maternal Health

To spread joy during the festive season, LS-MFEZ donated baby hampers and essential delivery items to new mothers at Kafue General Hospital. This initiative was a gesture aimed to show care and love to maternal health, reinforcing the company's dedication to uplifting communities.



Environmental Sustainability

The company, in its effort to improve its environmental sustainability in the Economic Zone, has adopted methodologies such as tree replanting in the Economic Zone and building improve the underground water aquifers, which have depleted over time.

The company encourages its Investors to be environmentally friendly in construction of it plants. It's a mandatory to ensure that all its Investors comply with Zambia Environmental Management Agency (ZEMA) requirements before construction commences and during its course of operations. The companies operating in the Economic Zone are mandated by ZEMA to monitor emissions into the environment and must not exceed the acceptable limits. The liquidity emissions from the Industries are properly disposed of to avoid contamination of underground water to the Zone and nearby Communities.

The company continuously tests the quality of water supplied in the Economic Zone and treats the water for any impurities to ensure that it meets the acceptable standard of quality of water. It has embarked on the following initiatives aimed at improving the Environment Sustainability.

Tree Planting Activities

The company partnered with VIVO Energy and Standard Chartered Bank to plant 2,500 in 2024. The partnership with VIVO Energy is strategic and long term and expects to deliver a million trees to the Economic Zone. This will reduce the carbon footprint mainly caused by the Industrialization of the Economic Zone.

Green Environment Activities



- Encouraging Investors to maintain green surrounding environment.
- Investing in Electric Buses to provide the transport from Central Business Centre to the Economic Zone. This transport service initiative will be extended to all Investors operating in the Economic Zone for use by its employees and will reduce the Buses currently operating in the Zone.
- Clean Energy Initiative where the company intends to Install Solar Energy as a source of provision of Power to the Administrative Building and its Pumping Station, instead of using Diesel Generators as an alternative to ZESCO power in moments of load management.
- The Economic Zoe is at the center of promoting clean energy, and plays host to Bangweulu and Ngonye Solar Power Plants operating as PV and contributes a combined

Retention Ponds

This is aimed at improving the water recharge system in the Economic Zone, as the company depends on the underground water system to supply its Investors.

Garbage recycling process

LSMFEZ is at the center of promoting Waste Recycling Industries in the Economic Zone. This is aimed at reducing the waste of paper, plastics and other objects which can be harmful to the environment. The Economic Zone will soon host the biggest Plastic Recycling Industry by Trade Kings Group of Companies to be hosted in the Economic Zone.

Garbage Collection

LSMFEZ has partnered with Kafue City Council to collect the garbage from Investors within the Economic Zone. Some Investors have acquired their own Garbage Collection Trucks due to high volume of waste which is disposed of at designated areas within Lusaka.



- of 88 MW to the National Grid.
- The company will continue to become more Environment friendly in its operations and will look forward to more strategic partnership around Environmental sustainability.



Corporate Governance Report

Corporate Governance

The Lusaka South Multi Facility Economic Zone Limited (“the Company”) is committed to the strengthening and improvement of Corporate Governance as an ongoing priority for Management. The Company’s corporate governance practices are constantly under review to align to the IDC Group and with the dynamics of the business environment.

The Board of Directors

The Board currently comprises five Independent Non-Executive Members is mandated in terms of its charter which requires that there is an appropriate balance of power and authority on the Board. New appointments to the Board are carried out in accordance with the Company’s Articles of Association and are subject to confirmation at the next Annual General Meeting. It is the responsibility of the Shareholders to ensure the right composition and that the directors have the appropriate expertise and industry knowledge required on the Board.

The Board is responsible for the performance and direction of the Company through approval of strategic objectives, policies, annual audited financial statements as well as monitoring financial performance against the Company’s budget and overseeing asset management. The Articles prescribe a maximum number of seven (7) seats for the Board. All members of the Board, other than the Managing Director, are considered independent of the Company and its management.

The Board delegates to Management the day-to-day running of the Company’s affairs.

The Board Composition

The Directors who held office during the period under review were as follows;

Name	Position	
Boster H. Chiyaba	Chairperson of the Board of Directors	
Kennedy Mwila	Managing Director/Executive Director	20 March 2021-29 Februray 2024
Mwiza Mseteka	Managing Director/Executive Director	7 October 2024
Chandrakant D. Tailor	Independent Non-Executive Director	
Philip Muyubana	Independent Non-Executive Director	
Kasumpa M. Kabalata	Independent Non-Executive Director	
Sanga Mataka	Independent Non-Executive Director	

Board Meetings

The Board develops a yearly calendar which sets out all scheduled quarterly Board and Committee meetings. The Board meets formally every quarter per the approved Calendar and where decisions have to be taken between meetings this is done through written resolutions. Written notices of Board meetings, agendas and other management reports were circulated timeously. The minutes of the meetings were appropriately recorded by the Company Secretary, circulated and approved at subsequent meetings.

Corporate Governance - continued

Eight (8) Board meetings were convened in 2024 and attendance was as shown in the table below;

Directors' Name	Board Meeting 19/01/24	Board Meeting 28/02/24	Board Meeting 06/03/24	Board Meeting 14/06/24	Board Meeting 06/09/24	Board Meeting 25/09/24	Board Meeting 19/09/24	Board Meeting 23/12/24
Boster Chiyaba								
Inonge Gondwe	BA						RTD	RTD
Kennedy Mwila			RTD	RTD	RTD	RTD	RTD	RTD
Mwiza Mseteka	BA	BA	BA	BA	BA	BA		
Philip Muyumbana								
Kasumpa M. Kabalata								
Sanga Mataka							x	
Chandrakant D. Tailor	x		x		x		x	
Key	Attended	x Absent	BA Before Appointment	RTD Retired				

Board Committees

To ensure that the mandate of the Board is effectively and efficiently discharged, the Board has established three Board Committees that provide the required leadership. The Board was assisted in the discharge of its responsibilities by these Board Committees namely:

- the Audit and Risk Committee;
- the Finance and Administration Committee; and
- the Technical and Projects Committee.

The Committees operate under approved mandates and terms of reference, which set out clearly their roles, responsibilities, scope of authority and procedures for reporting to the Board. Each Committee is chaired by a non-executive Director to ensure strict compliance to the principles of good corporate governance practice. Membership of the Board Committees comprise Board Members and co-opted members from relevant professional associations such as the Zambia

Institute of Chartered Accountants (ZICA), the Zambia Institute of Architects (ZIA), Zambia Institute of Human Resource Management (ZHIRM), Engineering Institute of Zambia (EIZ) and the Law Association of Zambia (LAZ) in order to make use of their expertise. Minutes of committee meetings were made available to all directors on a timely basis. Non-executive directors actively participate in all committees.

Additionally, the Company has an Executive Committee of Management (EXCO) which meets twice weekly. EXCO is headed by the Managing Director and is responsible for the day-to-day management of the Company. EXCO provides the Board with sound information, advice and recommendations on the organisational structure, objectives, strategies, policies and procedure to enable the Board to make informed decisions. Further the Company's Management meets monthly and serves to assist the Board to co-ordinate, guide and monitor the performance of the Company.

Audit And Risk Committee

The Audit and Risk Committee supported the Board in fulfilling its oversight responsibility with regard to financial reporting, the system of internal controls, processes for monitoring compliance with laws and regulations, reviewing the company's risk philosophy, ensuring compliance with policies, reviewing the adequacy and overall effectiveness of the company's risk

management function, ensuring implementation of an on-going process of risk identification, mitigation and management and providing reports to the Board.

The Manager Internal Auditor who currently heads the Internal Audit function reports to the Audit Committee meetings on a

quarterly basis and has unrestricted access to the Chairperson of the Committee.

During the year under review attendance of Audit and Risk Committee meetings was as follows:

Directors' Name	Board Meeting 19/01/24	Board Meeting 28/02/24	Board Meeting 06/03/24	Board Meeting 14/06/24	Board Meeting 06/09/24	Board Meeting 25/09/24	Board Meeting 18 19/09/24	Board Meeting 23/12/24
Boster Chiyaba								
Inonge Gondwe	BA						RTD	RTD
Kennedy Mwila			RTD	RTD	RTD	RTD	RTD	RTD
Mwiza Mseteka	BA	BA	BA	BA	BA	BA		
Philip Muyumbana								
Kasumpa M. Kabalata								
Sanga Mataka							x	
Chandrakant D. Tailor	x		x		x		x	

Finance And Administration Committee

The Finance & Administration Committee is responsible for budget, efficiency, effectiveness and governance of the organisation. Its tasks include providing oversight over the financial status of the Company, remuneration and compensation, review and approval of management strategies and policies. The Committee is chaired by an independent non-executive director.

During the year under review, attendance of the Finance and Administration Board Committee meetings was as below:

Directors' Name	Board Meeting 19/01/24	Board Meeting 28/02/24	Board Meeting 06/03/24	Board Meeting 14/06/24	Board Meeting 06/09/24	Board Meeting 25/09/24	Board Meeting 18 19/09/24	Board Meeting 23/12/24
Boster Chiyaba								
Inonge Gondwe	BA						RTD	RTD
Kennedy Mwila			RTD	RTD	RTD	RTD	RTD	RTD
Mwiza Mseteka	BA	BA	BA	BA	BA	BA		
Philip Muyumbana								
Kasumpa M. Kabalata								
Sanga Mataka							x	
Chandrakant D. Tailor	x		x		x		x	

Key Attended | x Absent | BA Before Appointment | RTD Retired

Technical and Projects Committee

Corporate Governance - continued

The Technical and Projects Committee provided support and guidance to the Board and Management on all technical issues including project implementation and business development. Its tasks include consideration and approval of investor applications for the ratification of the Board, consideration and approval of technical policies and standards for the Company, receiving quarterly reports submitted by management on implementation of projects. The Committee is chaired by an independent non-executive director.

During the year under review attendance of Technical and Projects Committee meetings was as below:

Directors' Name	Board Meeting 19/01/24	Board Meeting 28/02/24	Board Meeting 06/03/24	Board Meeting 14/06/24	Board Meeting 06/09/24	Board Meeting 25/09/24	Board Meeting 18-19/09/24	Board Meeting 23/12/24
Boster Chiyaba								
Inonge Gondwe	BA						RTD	RTD
Kennedy Mwila			RTD	RTD	RTD	RTD	RTD	RTD
Mwiza Mseteka	BA	BA	BA	BA	BA	BA		
Philip Muyumbana								
Kasumpa M. Kabalata								
Sanga Mataka							x	
Chandrakant D. Tailor	x		x		x		x	
Key Attended x Absent BA Before Appointment RTD Retired								

Board Induction and Development

Newly appointed members of the board are taken through the Company's Articles of Association, the Board Charter, Terms of Reference of Committee, Code of Conduct, the Master Plan, the Statutory Instrument No. 47 of 2010, the Zambia Development Agency Act of 2006, policies and applicable acts such as Companies Act and Public Finance Management Act. They follow an induction programme facilitated by the Company Secretary which includes a tour Zone infrastructure and visit to companies operating in the Zone.

Board Evaluation

The Board recognizes the need to evaluate its effectiveness to ensure that its performance meets higher levels for the success of the Company. The Company annually conducts a self-annual assessment of its performance during the year under review. The Board evaluation includes an evaluation of:

- The Board's structure and composition;
- The roles and responsibilities of the Board and the role of the Chairperson;
- The composition and effectiveness of Board Committees;
- Board Succession planning;
- Board reporting;
- Ethics and Standards of Conduct
- Board Remuneration
- The quality of information provided by Management to the Board and its Committees;

The Board will continue to implement necessary changes to enhance its performance. permission

Board Familiarisation Tours

The Company believes that a Board which is well informed and familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role in a manner that fulfils stakeholders' aspirations. In pursuit of this, Management through the Company Secretary's office organizes Board Familiarization tours to enable the Directors to familiarise themselves and experience the manufacturing plants of investors operating in the Zone as well as sites of ongoing projects of the Company.

During the year under review, the Board visited the Batu-Kawan Industrial Park, Kulim Hi-Tech Park, Malaysia Development Authority and Penang Development Corporation in Malaysia.

Key recommendations to stakeholders have been made following this visit.

Director Legal

The director legal acts as a focal point for communications on matters of corporate responsibility. The director legal is responsible for implementing and sustaining high levels of corporate governance and keeps abreast of legislation, regulations and corporate governance developments which may impact on the business. All Directors have direct access to the director legal.

Internal Audit

The LSMFEZ has an internal audit function designed to add value to the Company and improve operations. The Internal Audit function is headed by the Manager Internal Audit who provides an independent assurance service to the Board, the audit committee and Management. The Internal audit function is formally defined and generally seeks to help the Company accomplish its objectives through identification of deficiencies in internal controls. The Manager Internal Auditor attends the audit committee meetings and has unrestricted access to the Chairperson of the audit committee.

External Auditors

External Auditors are appointed by the shareholders and are subject to reappointment at the Annual General Meeting (AGM) in accordance with the Companies Act no. 10 of 2017. The current external auditors of the Company are AMG Global. As a reassurance, the external auditor confirms in a formal report to the Audit Committee that processes to ensure compliance with the policy are in place and that these processes are monitored regularly.

The Company together with External Auditors ensures that quality and independent audits are undertaken.

External Auditors are invited to attend Audit Committee meetings and are available to audit committee members. The external Auditors also attended our Annual General Meeting where they were able to answer questions from Shareholders.

Directors' Compensation

The disclosure of Directors' fees and remunerations is made in financial statements. The Directors do not have any shares in the Company and are not entitled to share options.

Relations with Stakeholders

During the year, the Company continued to promote dialogue with its main stakeholders. The Company ensures timely dissemination of information to its shareholders through various media.

The Board considers the AGM key in providing shareholders with the opportunity to have insight of the business performance.

Mrs. Inonge Gondwe
Director Legal

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Financial Statements

2024

General Information

31 December 2024

Country of incorporation	Zambia
Nature of business and principal activities	Lusaka South Multi Facility Economic Zone Limited (LSMFEZ/the Company) is a private limited company incorporated to spearhead the development of the Lusaka South Facility Economic Zone.
Registered office	Plot F10723 Chifwema Road Off Leopards Hill Road
Business address	Plot F10723 Chifwema Road Off Leopards Hill Road Private Bag E017, Lusaka
Postal address	Private Bag E017, Lusaka
Bankers	Indo Zambia Bank Manda Hill Branch Lusaka Investrust Bank Odys Park Branch, Lusaka Zambia National Commercial Bank Plc Ministry of Finance Agency Branch Civic Centre, Lusaka.
Auditors	AMG Global Chartered Accountants Zambia, No. 6, Lagos Road, Rhodes Park, P.O Box 37893

Statement of the Responsibilities of the Directors

31 December 2024

The Directors are required, in terms of the Companies Act No. 10 of 2017, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRSs). The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRSs and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

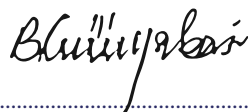
The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and places considerable importance on maintaining a strong control environment. To enable the Company to meet these responsibilities, the Board sets standards for internal controls aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by Management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Company's cash flow forecasts for the year ending 31 December 2025 and, in the light of this review and the current financial position, they are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Company's financial statements. The financial statements have been examined by the Company's external auditors and their report is presented on page 6 to 8.

The financial statements, set out on pages 9 to 33 which have been prepared on the going concern basis, were approved by the Board on..... and were signed on its behalf by:



.....
DIRECTOR



.....
DIRECTOR

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of the company.

1. Principal activities

The Lusaka South Multi-Facility Economic Zone Limited was incorporated on 25th June 2012 under the Companies Act as a private limited liability company to spearhead the development of the Lusaka South Multi-Facility Economic Zone.

The principal activities of the company are to manage, operate and develop the Lusaka South Multi-Facility Economic Zone.

2. Share capital

The authorised, issued and fully paid-up share capital of the company comprises 315 241 989 ordinary shares of K1.00 each. (2023: 315 241 989 ordinary shares)

3. Results and dividends

	2024	2023
	ZMW	ZMW
Total income	163 590 874	86 320 233
Total comprehensive income for the year	29 163 284	3 547 860

During the year, a dividend amounting to ZMW1 596 557 was declared (2023: ZMW2 000 000).

4. Number of employees and remuneration

The total remuneration of employees during the year amounted to ZMW17 341 879 (2023: ZMW14 761 028) and the numbers of employees during the year were as follows:

Month	Number	Month	Number
January	58	July	62
February	59	August	60
March	60	September	61
April	61	October	62
May	61	November	62
June	61	December	62

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

5. Gifts and donations

During the year the Company gave gifts and donations amounting to ZMW146 104 (2023: ZMW60 000) as part of its Corporate Social Responsibility (CSR).

6. Property and equipment

The Company purchased property and equipment amounting to ZMW44 746 681 during the year (2023: ZMW6 482 784). There were disposals of property and equipment amounting to ZMW24 100 (2023: 32 521). In the opinion of the directors, the carrying value of property and equipment is not less than its recoverable amount.

7. Research and development

During the year, the company did not incur any costs on research and development (2023: Nil).

8. Directors and committees

8.1 The Board of Directors were as follows:

Director	Title	Date of Appointment
Boster H. Chiyaba	Chairperson	20 Oct-23
Chandrakant D. Tailor	Independent Non-Executive Director	20 Oct-23
Philip Muyumbana	Independent Non-Executive Director	20 Oct-23
Kasumpa M. Kabalata	Independent Non-Executive Director	20 Oct-23
Sanga Mataka	Independent Non-Executive Director	20 Oct-23
Kennedy Mwila	Ex-Official Member-Executive member	20 Oct-23

8.2 The committees were as follows:

Audit and Risk Board Committee

Director	Title
Kasumpa M. Kabalata	Chairperson
Philip Muyumbana	Vice Chairperson
Joseph C. Matimba	Co-opted Member
Indie Dinala	Co-opted Member
Hellen P. Mubanga	Co-opted Member
Tabitha K. Mangomba	Co-opted Member

Finance and Administration Board Committee

Director	Title
Sanga Mataka	Chairperson
Chandrakant D. Tailor	Vice Chairperson
Gordian C. Bowa	Co-opted Member
Mutinta Chikwanda	Co-opted Member
Nathan K. Mwale	Co-opted Member

Technical and Projects Board Committee

Director	Title
Phillip Muyumbana	Chairperson
Kasumpa M. Kabalata	Vice Chairperson
Chandrakant D. Tailor	Co-opted Member
George Ndongwe	Co-opted Member
Namuye Mudenda	Co-opted Member
Sebastian H, Mazakaza	Co-opted Member

9. Secretary

Ms Inonge Noyoo

10. Other material facts, circumstances and events

The directors are not aware of any material fact, circumstance or event which has occurred between the accounting date and the date of this report which might influence an assessment of the Company's financial position or the results of its operations.

11. Corporate governance

The Board of Directors hereby confirms that the Company has complied with all the internal control aspects of the principles of good governance.

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board and the requirements of the Companies Act of Zambia.

12. Financial statements

The financial statements set out on pages 9 to 33 have been approved by the directors.

13. Auditors

The auditors, AMG Global Chartered Accountants (Zambia), have indicated their willingness to continue in office in accordance with Section 257 (i) of the Companies Act and a resolution for their reappointment will be proposed at the next annual general meeting,

By order of the Board



Date:

Director legal

Lusaka

Report of the Independent Auditors to the members of LSMFEZ

We have audited the accompanying financial statements of Lusaka South Multi Facility Economic Zone Limited, set out on pages 9 to 33, which comprise the statement of financial position as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lusaka South Multi Facility Economic Zone Limited as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of Companies Act No. 10 of 2017.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those

standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

I. Inventory valuation and selling price

The key audit matter	How the matter was addressed in the audit
The Company’s residential plots were valued by the Government Valuation Department and is the balance sitting in the financial statements as inventories.	We reviewed the Company’s approval to sell land at its recommended price and the treatment of the sale of land in the financial statements.
However, the residential plots are sold by LSMFEZ at a price recommended by Management and approved by Ministry of Commerce and Trade. This valuation is much lower than the balances stated in the financials under inventories.	We also discussed with Management and reviewed the valuation reports and correspondences with the line ministry.
There is a significant risk that the value of the inventory valued by the Government Valuation Department may be materially overstated and the sales and cost of sales may be materially understated in the financial statements.	
This matter was considered a key audit matter because of the valuation’s significance in determining the sales, cost of sales and inventory of LSMFEZ and the significant risks involved.	

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and in the manner required by the Companies Act No. 10 of 2017, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;

Conclude on the appropriateness of Management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a

statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of the Lusaka South Multi Facility Economic Zone Limited as of 31 December 2024 have been, in all material respects, properly prepared in accordance with the provisions of the Companies Act No. 10 of 2017.



AMG Global

Chartered Accountants

Dr Friday Nyambe

Practicing Certificate Number: M/PC NO.0001549

Date

Partner signing on behalf of the firm

Statement of Comprehensive Income

	Note	2024	2023
		ZMW	ZMW
Revenue	3	146 783 386	74 370 479
Cost of sales		66 129 590	36 083 561
Gross profit		80 653 796	38 286 918
Other income	4	16 807 488	11 949 754
Expenditure		66 185 526	45 147 461
Operating profit		31 275 758	5 089 211
Net financing income	5	5 327 476	2 583 912
Net profit before taxation		36 603 234	7 673 123
Taxation	6.1	7 439 950	4 125 263
Total comprehensive income		29 163 284	3 547 860

Statement of Financial Position

Assets

	Note	2024	2023
		ZMW	ZMW
Non current assets			
Investment property	8	4 004 286 308	4 041 063 978
Property and equipment	9	393 946 949	320 057 844
Intangible assets	10	13 124	671 206
		4 398 246 381	4 361 793 028
Current assets			
Inventories	11	637 783 458	712 133 100
Amounts due from related parties	19	657 041	950 556
Accounts receivables	12	112 100 057	68 433 433
Cash and cash equivalents	13	98 817 738	39 308 158
		849 358 294	820 825 247
Total assets		5 247 604 675	5 182 618 275

EQUITY AND LIABILITIES

Equity attributable to owners

Share capital	14	315 241 989	315 241 989
Revaluation reserve		216 358 105	224 738 654
Capital grant	18	265 185 172	222 082 377
Retained earnings		4 400 939 217	4 373 372 490

Total accumulated funds		5 197 724 483	5 135 435 510
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Current liabilities

Deferred income	15	11 866 840	14 005 430
Dividends payable	17	15 966	329 009
Amounts due to related parties	19	71 334	-
Accounts payables	16	30 499 027	28 335 843
Taxation payable	6.3	7 427 025	4 512 483

Total liabilities		49 880 192	47 182 765
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Total equity and liabilities		5 247 604 675	5 182 618 275
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The financial statements on pages 9 to 33 were approved by the Board on and were signed on their behalf by: -

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DIRECTOR

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DIRECTOR

Statement of changes in Equity

	Share capital ZMW	Revaluation reserve ZMW	Capital grant ZMW	Retained earnings ZMW	Total ZMW
Balance as at 31 December 2022	315,241,989	231,136,303	194,435,845	4,371,824,630	5,112,638,767
Revaluation loss	-	6,397,649	-	-	6,397,649
Dividends declared in the period	-	-	-	2,000,000	2,000,000
Additions on Capital Grant	-	-	35,000,000	-	35,000,000
Amortisation of Capital Grant	-	-	7,353,468	-	7,353,468
Total comprehensive income	-	-	-	3,547,860	3,547,860
Balance as at 31 December 2023	315,241,989	224,738,654	222,082,377	4,373,372,490	5,135,435,510
Revaluation loss	-	8,380,549	-	-	8,380,549
Dividends declared in the period	-	-	-	1,596,557	1,596,557
Additions on Capital Grant	-	-	55,500,000	-	55,500,000
Amortisation of Capital Grant	-	-	12,397,205	-	12,397,205
Total comprehensive income	-	-	-	29,163,284	29,163,284
Balance as at 31 December 2024	315,241,989	216,358,105	265,185,172	4,400,939,217	5,197,724,483

Statement of Cash Flows

	Notes	2024	2023
		ZMK	ZMK
NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating cash flows			
Operating profit		31,275,758	5,089,211
Adjustments for items not affecting cash flows:			
Depreciation on property and equipment	9	4,286,942	1,516,386
Profit on disposal of equipment		21,690	37,365
Amortisation of capital grant		2,312,907	3,061,804
Amortisation of intangible assets	10	171,327	233,598
Increase in accounts receivable		4,666,624	5,146,145
Decrease)/Increase in accounts payables		1,253,320	878,813
Decrease in inventories		369,949	103,407
Net movement on related party balances		648,379	373,707
Intangible assets written off		645,711	-
Realignment net adjustments on PPE		3,338,985	-
Net cash flows from operations		48,883,962	10,047,591
Returns from investments and servicing of finance			
Net financing income	5	5,327,476	2,583,912
Taxation			
Taxation paid	6	1,128,697	2,531,694
Net cash flow from operating activities		52,782,541	10,099,809
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of equipment		21,690	37,365
Purchase of investment property	8	-	43,265,225
Purchase of property and equipment	9	44,746,831	6,482,784
Purchase of intangible assets	10	-	726,714
Net cash used in investing activities		44,724,991	50,537,358

	Notes	2024	2023
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid in the year	17	1,009,000	1,683,000
Proceeds from capital grant		55,500,000	35,000,000
Net movement on deferred income		2,138,909	3,195,135
Net cash from financing activities		51,451,810	36,510,135
Increase/(decrease) in cash and cash equivalents		59,509,360	3,927,414
Cash and cash equivalents at the beginning of the year		39,308,158	43,235,572
Cash and cash equivalents at the end of the year	13	98,817,738	39,308,158

Accounting policies and notes to the financial statements

1. The principal accounting policies of the Company, which are set out below, are consistently followed in all material respects.

1.1 Basis of measurement

These financial statements were prepared under the historical cost convention, except for financial assets classified as fair value through profit or loss (FVTPL).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Zambia Kwacha (ZMW), which is also the Company's functional currency.

1.2 Judgement and estimates

The preparation of financial statements in compliance with IFRS requires Management to make certain critical accounting estimates. It also requires Management to exercise judgment in applying the Company's accounting policies. The areas involving critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are:

(i) Financial Instruments

The classification of financial assets and liabilities;
Whether assets are impaired; and

The classification of financial assets at FVTPL, which includes assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest on the principal amount outstanding.

(ii) Impairment of assets

In making its judgment, management has assessed at each reporting date whether there is any indication that the Company's tangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is assessed in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

(iii) Impairment losses on trade receivables

Impairment losses are based upon historical patterns of losses. In determining whether an impairment loss should be recorded in the income statement, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of trade receivables before a decrease can be identified with an individual trade receivable in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of trade receivables in their organisation, or local economic conditions that correlate with defaults on assets in that organisation. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling future cash flows. The methodology and assumptions used for estimating both the amount and the timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(iv) Property and equipment residual values and useful lives

These assets are written down to their estimated residual values over their anticipated useful lives using the straight line basis. Management reviews the residual values annually considering market conditions and projected disposal values. In assessing useful lives, maintenance programmes and technological innovations are considered. The carrying value of property and equipment is disclosed in Note 18 to the financial statements.

In addition, the disclosures that Management deemed to be immaterial were excluded from the notes to the financial statements. The determination of the relevance and materiality

of disclosures involved significant judgment.

1.3 Revenue

Revenue comprises the fair value of the consideration received or receivable for the lease of land and sale of residential plots in the ordinary course of the Company's activities.

Revenue is shown net of value added tax (VAT), rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

a) Lease of land is initially recognised when the lease agreement has been signed and in subsequent years, income is recognised at the same date the lease agreement was signed.

b) Interest income is recognised on a time proportion basis using the effective interest method.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused income tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused income tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset

is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.5 Translation of foreign currencies

Transactions in foreign currencies are translated to the Zambian Kwacha at the foreign exchange rate ruling at the dates of the respective transactions. Monetary assets and liabilities that are denominated in foreign currencies at the reporting date, which are stated at historical cost, are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the foreign exchange rates ruling at the dates that the values were determined.

1.6 Property and equipment

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

The immovable assets are revalued every three years by Government Valuers to reflect the market value of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Land is not depreciated and is shown at fair value, based on periodic valuations by external independent appraisers. All other property and equipment are stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation surplus in the revaluation reserves. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	2%
Motor vehicles	20%
Furniture & Fittings	20%
Office Equipment	20%
Other assets	20%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

A revaluation surplus is recorded in Other Comprehensive Income (OCI) and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

1.7 Inventory

Inventory relates to land held for outright sale as residential plots to potential investors.

1.8 Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- (i) amortised cost;
- (ii) fair value through profit or loss (FVTPL); and
- (iii) fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- (i) the entity's business model for managing the financial asset; and
- (ii) the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are

recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

This category also contains equity investments. The equity investments were measured at cost less any impairment losses under IAS 39, as it was deemed that its fair value could not be estimated reliably.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- (i) they are held under a business model whose objective it is hold to collect the associated cash flows and sell; and
- (ii) the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset. This category includes listed securities and debentures, that were previously classified as 'available-for sale'.

Impairment of financial assets

IFRS 9's new impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss' (ECL) model. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of

the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Company's financial assets fall into this category. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Guidance note: Credit losses are defined as the difference between all the contractual cash flows that are due to an entity and the cash flows that it actually expects to receive ('cash shortfalls'). This difference is discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses in accordance with IFRS9. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Financial assets at fair value through other comprehensive income

The Company recognises 12-month expected credit losses for financial assets at FVOCI. As most of these instruments have an outstanding credit rating, the likelihood of default is deemed to be small. However, at each reporting date the Company assesses whether there has been a significant increase in the credit risk of the instrument.

In assessing these risks, the Company relies on readily available information such as the credit ratings issued by the major credit rating agencies for the respective asset. The Company only holds simple financial instruments for which specific credit ratings are usually available. In the unlikely event that there is no or only little information on factors influencing the ratings of the asset available, the Company would aggregate

similar instruments into a portfolio to assess on this basis whether there has been a significant increase in credit risk.

In addition, the Company considers other indicators such as adverse changes in business, economic or financial conditions that could affect the borrower's ability to meet its debt obligation or unexpected changes in the borrower's operating results. Should any of these indicators imply a significant increase in the instrument's credit risk, the Company recognises for this instrument or class of instruments the lifetime ECL.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Derivative financial instruments and hedge accounting

The Company applies the new hedge accounting requirements in IFRS 9 prospectively. All hedging relationships that were hedging relationships under IAS 39 at the 31 December 2022 reporting date meet the IFRS 9's criteria for hedge accounting at 1 January 2023 and are therefore regarded as continuing hedging relationships. Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

there is an economic relationship between the hedged item and the hedging instrument;
the effect of credit risk does not dominate the value changes that result from that economic relationship; and
the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the reporting periods under review, the Company did not have any hedging investments.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income

and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

1.9 Provisions

A provision is recognised in the balance sheet when the Company 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.

1.10 Net financing income/costs

Net financing income/costs comprise interest payable on borrowings calculated using the effective interest rate method, bank interest receivable, foreign exchange gains and losses that are recognised in the statement of comprehensive income.

1.11 Employee benefits

Defined Contribution Schemes

A defined contribution scheme is a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior years. The Company's contribution to the defined contribution schemes are charged to the statement of comprehensive income in the year to which they relate. The Company has no further obligation once the contributions have been paid.

The Company makes contributions to the state defined contribution pension scheme, National Pension Scheme Authority, "NAPSA", on behalf of the employees.

Retirement benefits

Certain of the Company's employees are entitled to statutory retirement benefits. Provision is made for past service on the basis of present conditions and earnings in accordance with local labour laws.

The Company operates a defined contributory scheme for its permanent and pensionable employees which requires contributions to be made to a separately administered fund.

Gratuity benefits

Contract staff 35% of current basic salary for every year of services

1.12 New standards and interpretations

There were no new standards, amendments to standards and interpretations adopted by the Company in 2024.

1.13 New relevant standards issued not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted, however, the Company has not early adopted them in preparing these financial statements.

Of those standards that are not yet effective, there are no standards which are expected to have a significant impact on the Company's financial statements in the period of initial application.

2. Status and activities

Lusaka South Multi Facility Economic Zone Limited (LSMFEZ/ the Company) is domiciled in Zambia and its principle activities are to manage, operate and develop the Lusaka South Multi Facility Economic Zone.

3. Turnover

	2024	2023
	ZMW	ZMW
Lease fees	32 026 348	16 986 004
Sales of residential plots	81 148 856	40 040 250
Water sales	31 970 182	15 667 225
Power connections	1 638 000	1 677 000
	146 783 386	74 370 479

4. Other income

	2024	2023
	ZMW	ZMW
Amortisation of capital grant Note 18.1	12 397 205	7 353 468
Bad debts received	-	808 189
Government grant Note 18.2	-	-
Rent	34 150	46 300
Application from sales	50 670	62 750
Sale of stones	579 616	280 608
Road tolls	2 402 183	2 408 423
Penalties	299 025	17 605
Profit on disposal of equipment	12 081	30 861
Other income	1 032 558	941 550
	16 807 488	11 949 754

5. Net financing income

Staff loan interest	530 066	55 364
Interest received	6 465 609	2 528 548
Net foreign exchange losses 1 668 199		
	5 327 476	2 583 912

6. Taxation

	2024	2023
	ZMW	ZMW
6.1 Charge for the year		
Income tax Note 6.2	39 945	-
Rental Tax 12.5 %	4 003 294	2 123 251
Property transfer tax @ 5%	3 396 711	2 002 012
Total taxation charge for the year	7 439 950	4 125 263
6.2 Reconciliation of tax charge		
Notional tax charge based on profit for the year	10 980 970	2 301 937
Additional taxation resulting from:		
Permanent differences	8 604 952	4 477 903
Total taxation charge for the year	2 376 018	2 175 966
Withholding tax on interest		39 945
Change in tax rate	-	-
Deferred taxation credit not taken into account	2 376 018	2 175 966
	39 945	-
6.3 Taxation payable		
Opening balance	4 512 483	4 920 926
Charge for the year Note 6.1	4 043 239	2 123 251
Payments during the year	1 128 697	2 531 694
	7 427 025	4 512 483

7. Deferred taxation

7.1 The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability

-

7.2 Deferred income tax assets and liabilities and deferred income tax charge not recognised in the financial statements are attributed to the following items:

	2024 ZMW	Charge (credit) to profit and loss ZMW	2023 ZMW
Deferred tax liabilities			
Accelerated tax depreciation	5 678 648	4 957 291	721 357
Deferred tax assets			
Provisions	2 767 937	1 494 847	1 273 090
Tax losses	8 091 948	1 733 487	6 358 461
	10 859 885	3 228 334	7 631 551
Net deferred tax asset	5 181 237	1 728 957	6 910 194

7.3 The deferred tax asset of ZMW5 181 237 (2023: ZMW6 910 194) has not been recognised in the financial statements in accordance with the accounting policy on taxation.

7.4 At 31 December 2024, estimated tax losses available to the company amounted to ZMW26 973 163 (2023:ZMW21 194 868). In future years, at present rates, the estimated tax losses will provide the company with current income tax relief amounting to ZMW8 091 948 (2023: ZMW6 358 460). The tax relief is subject to the company earning sufficient taxable income to utilise the losses within five years of the losses arising.

8 Investment property

8.1 Analysis

Balance at the beginning of the year	4 041 063 978	3 997 698 753
Change in fair value	-	-
Work in progress additions	-	43 365 225
Reclassification to PPE	36 777 670	-
Balance at end of year	4 004 286 308	4 041 063 978

8.2 Measurement of fair value

(i) Fair value hierarchy

The fair value of investment property was determined on 8 January 2018 and 20 September 2018 by external, independent property valuers, the Government valuation department, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

(ii) Valuation technique and key assumptions are noted below

The method used in valuing investment property under development is the capital value basis. The valuer uses the amount payable for similar areas. The fair value of investment property under development has been classified as level 3 based on the inputs to the valuation technique used. The key assumptions are as follows:

- a) Prevailing market conditions and likely future trends;
- b) Factors affecting values for similar properties in the same or similar locations;
- c) Development potential for each site; and
- d) Current and expected demand for commercial properties.

9. Property and equipment

	Land and buildings ZMW	Work in progress ZMW	Motor vehicles ZMW	Office and computer equipment ZMW	Technical equipment ZMW	Furniture and fittings ZMW	Other assets ZMW	Total ZMW
9.1 Cost/valuation								
At 31 December 2023	313 551 039	181 172	9 454 292	3 321 568	251 089	1 701 634	627 483	329 088 277
Additions	969 627	2 283 303	3 947 054	686 645	36 166 593	362 888	330 571	44 746 681
Disposals	-	-	-	24 100	-	-	-	24 100
Re-alignment adjustments	740 933	-	3 850 270	511 760	251 089	384 279	310 265	4 659 508
Reclassification		-	-	-	36 777 670	-	-	36 777 670
At 31 December 2024	313 779 733	2 464 475	9 551 076	3 472 353	72 944 263	2 448 801	1 268 319	405 929 020
9.2 Depreciation								
At 31 December 2023	1 859 369	-	3 551 019	1 844 874	251 088	1 238 456	285 627	9 030 433
Charge for the year	212 516	-	1 076 169	463 867	2 062 507	321 221	150 662	4 286 942
Disposals	-	-	-	14 491	-	-	-	14 491
Re-alignment adjustments	846 694	-	223 031	-	251 088	-	-	1 320 813
At 31 December 2024	1 225 191	-	4 404 157	2 294 250	2 062 507	1 559 677	436 289	11 982 071
9.3 Net book amount								
At 31 December 2024	312 554 542	2 464 475	5 146 919	1 178 103	70 881 756	889 124	832 030	393 946 949
At 31 December 2023	311 691 670	181 172	5 903 273	1 476 694	1	463 178	341 856	320 057 844

9.4 The register showing the details of property, as required by Section 278 of the Zambian Companies Act, is available during business hours at the registered office of the company. Buildings and roads are situated on land, the title deeds of which vests with the Government of the Republic of Zambia.

10. Intangible assets

	2024	2023
	ZMW	ZMW
10.1 Analysis Cost		
Opening balance	904 804	178 090
Additions	-	726 714
Written off	799 281	-
Closing balance	105 523	904 804
Accumulated amortisation		
Opening balance	233 598	88 225
Amortisation expense	12 371	145 373
Written off	153 570	-
Closing balance	92 399	233 598
Net book amount		
Closing balance	13 124	671 206

10.2 The intangible assets represent the cost of consultancy work on strategic planning that are amortised over the useful life of the assets that is at 20% per year on straight line including software procured during the year.

11. Inventories

Residential Mixed Density)	345 170 836	419 520 478
Residential Low Density)	292 612 622	292 612 622
	637 783 458	712 133 100

12. Accounts receivables

Lease receivables	10 601 561	4 546 947
Property rates receivable	9 235 978	8 972 417
Water receivables	7 192 119	3 082 568
Residential receivables	83 595 224	48 094 306
Staff receivables	2 807 301	4 749 909
Other receivables	7 894 329	3 230 917
	121 326 512	72 677 064
Less: Provision for Expected Credit Losses	9 226 455	4 243 631
	112 100 057	68 433 433

13. Cash and cash equivalents

	2024	2023
	ZMW	ZMW
13.1 Analysis		
Zambia National Commercial Bank – Current Account	4 256 154	507 710
Zambia National Commercial Bank – Road User Account	1 164 294	536 782
Zambia National Commercial Bank – Gratuity Account	25 412	25 412
Indo Zambia Bank – Current Account	27 530 845	17 526 446
Indo Zambia Bank – Residential Properties Account	8 830 317	5 455 677
Short term investments	56 500 000	15 255 205
Zambia Industrial Commercial Bank	509 555	-
Cash on hand	1 161	926
	98 817 738	39 308 158

13.2 For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks.

14. Share capital

Authorised		
315 241 989 ordinary shares of ZMW1.00 each	315 241 989	315 241 989
Issued and fully paid		
315 241 989 ordinary shares of ZMW1.00 each	315 241 989	315 241 989

15. Deferred income

At start of the year	14 005 430	10 812 295
Prepaid lease fees – current year	11 866 840	14 005 430
Prepaid lease fees – prior year	14 005 430	10 812 295
	11 866 840	14 005 430

16. Accounts payables

	2024	2023
	ZMW	ZMW
16.1 Analysis		
Trade and other payables	19 869 020	20 455 287
Property transfer tax	8 038 222	4 641 511
NAPSA	127 273	100 459
NHIMA	15 870	12 928
PAYE	725 556	545 538
Audit fees	173 824	250 473
Provision for gratuity	1 187 266	1 788 019
Provision for leave	151 515	370 565
Withholding tax on dividends paid	210 481	171 063
	30 499 027	28 335 843

16.2 The carrying amount of the payables and accrued expenses approximate their fair values.

17. Dividends

Dividends payable - IDC	1 580 591	1 980 000
Dividends payable – Felix N. Nkulukusa	15 966	20 000
Total dividends declared	1 596 557	2 000 000
Add: Dividends payable brought forward	329 009	-
Less: Dividends paid during the year	1 909 600	1 683 000
	15 966	317 000
Dividends brought forward/ (carried forward)	12 009	
Dividends payable	15 966	329 009

18. Capital grants

18.1 Analysis		
At the start of the year	222 082 377	194 435 845
Additions Note 18.2	55 500 000	35 000 000
Amortisation	12 397 205	7 353 468
	265 185 172	222 082 377
18.2 Government Grant Received		
Total	55 500 000	35 000 000
Less: Transferred to revenue	-	-
	55 500 000	35 000 000

19. Related party transactions

19.1 The company is controlled by Industrial Development Corporation Limited incorporated in Zambia. There are other companies that are related to Lusaka South Multi Facility Economic Zone Limited through common shareholding. The following transactions were carried out with related parties:

i) Sale of goods and services		
IDC	2 038 706	2 032 183
ii) Purchase of goods and services		
ZAMTEL	545 693	603 228
ZESCO	20 018 192	666 626
Zambia Daily Mail	146 131	111 412
ZISC	1 451 848	1 027 776
IDC	1 055 929	1 765 096
Infratel	137 947	114 953
	23 355 740	4 289 091
iii) Directors' remuneration		
Fees for services as a Director	3 817 338	1 494 023
iv) Key Management compensation		
Key management includes directors (Executive and Non-Executive Management) and members of senior management. The compensation paid or payable to key management for employee services is shown below:		
Salaries and other short term employment benefits	6 619 300	4 298 367
v) Outstanding balances arising from purchase of goods and services payable to related parties:		
Industrial Development Corporation Limited	71 334	-
vi) Outstanding balances arising from sales of goods and services receivable from related parties:		
Industrial Development Corporation Limited- Leases	-	950 556
IDC	-	-
ZAMTEL	611 054	-
INFRATEL	45 987	-
	657 041	950 556

20. Financial instruments

Financial assets and financial liabilities

Fair values

The management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on

parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2024, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Fair value of the quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Risk management

Risk is inherent in the Company's activities but it is managed through a process of ongoing identification,

measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing viable operations.

Exposure to currency, interest rate, credit, market, operational and liquidity risk arises in the normal course of the Company's business.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument defaults

on its contractual obligations. The Company is subject to credit risk through its trading and investing activities. The Company's primary exposure to credit risk arises through its investment securities, cash deposits, account receivables and cash equivalents. The Company evaluates counterparties for credit worthiness where credit risk arises and there are no credit ratings readily available.

The counterparties for investment securities and cash equivalents are Bank of Zambia (BOZ) and commercial banks licensed by Bank of Zambia.

The Company does not hold any collateral to cover its credit risk associated with accounts receivables in

respect of staff loans and advances except that the credit risk is mitigated by ensuring that staff loans and

advances do not exceed the terminal benefits payable to employees.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2024	2023
	ZMW	ZMW
Related party balances	657 041	956 556
Accounts receivables	112 100 057	68 433 433
Cash and cash equivalents	98 817 738	39 308 158
	211 574 836	108 698 147

(ii) Interest rate risk

This is the risk arising from the adverse movement in the value of future interest receipts or commitments resulting from movements in interest rates.

The interest rates for both interest receivable and payable from/to local financial institutions are generally pegged against the Bank of Zambia bank rate. The Company finances its operations through leasing and selling of land.

The Company is exposed to interest rate risk to the extent of the balances of the bank accounts. The Company manages its assets and liabilities within its sensitivity to the interest rate changes.

(iii) Market risk

The principal amounts of all financial assets and financial liabilities are fixed and not subject to market related value adjustment.

(iv) Liquidity and cash flow risk

Liquidity risk arises in the general funding of the Company's operations and in the management of positions. It includes both the risk of being unable to fund financial liabilities when they mature and the risk of being unable to liquidate financial assets at close to their fair value. The Company manages liquidity risk by monitoring adequacy of reserves, monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities. A maturity analyses of the Company's instruments as at 31 December 2024 is as follows:

	On demand ZMW	Due within 3 months ZMW	Due between 3 12 months ZMW	Due more than 12 months ZMW	Total ZMW
Financial assets as at 31 December 2024					
Trade and receivables	-	-	112 100 057	-	112 100 057
Cash and cash equivalents	98 817 738	-	-	-	98 817 738
Related party balances	-	-	657 041	-	657 041
	98 817 738	-	112 757 098	-	211 574 836
Financial liabilities as 31 December 2024					
Trade and other payables	-	-	30 499 027	-	30 499 027
Tax payable	-	-	7 427 025	-	7 427 025
Dividend payable	-	-	15 966	-	15 966
Related party balances	-	-	71 334	-	71 334
	-	-	38 013 352	-	38 013 352
Liquidity gap	98 817 738	-	74 743 746	-	173 561 48
Financial assets as at 31 December 2023					
Trade and other receivables	-	-	68 433 433	-	68 433 433
Cash and cash equivalents	39 308 158	-	-	-	39 308 158
Related party balances	-	-	950 556	-	950 556
	39 308 158	-	69 383 989	-	108 692 147
Financial liabilities as 31 December 2023					
Trade and other payables	-	-	28 335 843	-	28 335 843
Tax payable	-	-	4 512 483	-	4 512 483
Dividends payable	-	-	329 009	-	329 009
	-	-	33 177 335	-	33 177 335
Liquidity gap	39 308 158	-	36 206 654	-	75 514 812

(v) Currency risk

This is the risk that the Company is exposed to unfavourable exchange rate movements on mismatched spot or forward positions in a foreign currency deal.

The Company incurs foreign currency risk on capital contribution receivables and purchases that are denominated in a currency other than the Zambian Kwacha. The currency giving rise to this risk is principally the United States Dollar.

Currency risk is, however, managed by ensuring, as far as possible, that available foreign currency denominated liquid assets are reserved for payment of foreign currency denominated liabilities.

21. Commitments

The company had capital commitments amounting to ZMW22 859 787 as at 31 December 2024. (2023: ZMW25 215 000)

22. Contingent liabilities

There were no contingent liabilities as at 31 December 2024. (2023: Nil)

23. Comparative figures

Comparative figures are restated where necessary to afford a reasonable comparison.

24. Events subsequent to the statement of financial position date

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Detailed statement of comprehensive income

	Note	2024	2023
		ZMW	ZMW
Turnover	3	146 783 386	74 370 479
Cost of sales		66 129 590	36 083 561
Gross profit		80 653 796	38 286 918
Other income:	4	16 807 488	11 949 754
Total income		97 461 284	50 236 672
Operating expenses			
Administrative expenses		838 416	1 113 878
Advertising and promotions		2 028 584	4 549 979
Amortisation of intangible assets	10	12 371	233 598
Audit fees		220 000	200 000
Bank charges		137 366	94 710
Board expenses		3 877 026	992 857
Cleaning and sanitation		829 148	796 170
Commemoration and events		1 143 909	419 216
Consultancy		1 656 455	351 111
Commission on sale of plots		258 847	-
Depreciation	9	4 286 942	1 518 236
Development costs		704 688	-
Electricity and water		669 402	498 815
Fuel and lubricants		1 367 853	688 311
Gifts and donations		146 104	60 000
Gratuity provision		2 306 345	1 898 520
Land Rates		2 406 563	1 619 224
Leave days provision		906 761	1 219 414
Increase in provision for expected credit losses		4 982 824	1 163 339
Insurance and licences		1 460 415	543 453
Legal fees		156 178	135 000
Management fees		1 055 929	985 156
Medical expenses		825 778	738 130
NAPSA Employer contributions		591 351	393 402
NHIMA Employer contributions		80 766	82 395
Office expenses		-	35 360
Printing and stationery		675 357	495 068
Procurement expenses		109 100	128 500
Penalties		14 446	-

	Note	2024	2023
Recruitment expenses		341 451	53 504
Repairs and maintenance		7 686 822	3 304 625
Salaries and wages		17 360 325	14 761 028
Security expenses		1 741 697	1 229 281
Staff training		296 272	116 996
Staff welfare		1 080 698	1 647 463
Telephone and internet		977 353	603 224
Workshop and conferences		2 552 134	2 429 594
Withholding tax residential agency		326 017	-
Workers' compensation		73 833	47 904
Total expenses		66 185 526	45 147 461
Operating profit		31 275 758	5 089 211
Net financing income	5	5 327 476	2 583 912
Profit before taxation		36 603 234	7 673 123

Tax computation

Tax Computation on Lease Fees

	2024
	ZMW
Lease fees	32 026 348
Tax charge @ 12.5%	4 003 294
Tax Computation on Sale of Land	
Sale of land excluding service charge	67 934 223
Property transfer tax @ 5%	3 396 711

Tax Computation

for the year ended 31 December 2024

	2024	2024
	ZMW	ZMW
Profit as per financial statements		36,603,234
Less: Lease fees		32,026,348
Adjusted loss		4,576,886
Add: Amortisation of intangible assets	12,371	
Balancing charge	9,640	
Depreciation	4,286,942	
Donations	116,883	
Staff welfare	864,558	
Allocation of expenses to leases	12,575,250	
Provision for expected credit losses	4,982,824	
Penalties	14,446	
		23,121,395
		27,698,281
Less: Capital allowances	21,067,290	
Amortisation of Capital Grant	12,397,205	
Profit on disposal of equipment	12,081	
		33,476,576
Computed tax losses		5,778,295
Add: Computed tax losses brought forward		21,194,868
Accumulated tax losses		26,973,163

	Year of Purchase	ITV at Rate	Wear Cost ZMW	ITV at 31/12/2023 ZMW	and tear ZMW	31/12/2024 ZMW
Buildings	2013	2%	9 446 376	7 538 281	188 927	7 349 354
Buildings	2022	2%	785 951	754 513	15 719	738 794
Buildings	2023	2%	171 051	167 630	3 421	164 209
Buildings	2024	2%	969 627	-	19 393	950 234
Office equipment	2021	25%	420 501	105 126	105 126	-
Office equipment	2022	25%	820 277	410 139	205 069	205 070
Office equipment	2023	25%	1 142 783	857 087	285 696	571 391
Office equipment	2024	25%	686 645	-	171 661	514 984
Non-commercial vehicles	2021	20%	1 077 528	431 010	215 506	215 504
Non-commercial vehicles	2022	20%	1 538 100	922 860	307 620	615 240
Non-commercial vehicles	2023	20%	688 079	550 463	137 616	412 847
Non-commercial vehicles	2024	20%	3 947 054	-	789 411	3 157 643
Technical equipment	2024	25%	72 944 263	-	18 236 066	54 708 197
Furniture and fittings	2021	25%	176 618	44 155	44 155	-
Furniture and fittings	2022	25%	204 727	102 363	51 182	51 181
Furniture and fittings	2023	25%	469 429	352 072	117 357	234 715
Furniture and fittings	2024	25%	362 888	-	90 722	272 166
Other assets	2024	25%	330 571	-	82 643	247 928
			96 182 468	12 235 699	21 067 290	70 409 457

Disposal of equipment

Details	Year of purchase	Cost ZMW	ITV@ disposal	Proceeds from disposal	Balancing charge
Computer equipment	2022	24 100	12 050	21 690	9 640



Notice Of Annual General Meeting

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 5th Annual General Meeting (AGM) of the members of the Lusaka South Multi Facility Economic Zone Limited will be held on Monday the 31st of March 2025 commencing at 10:00 hours in the Board Room at the LSMEZ Offices to transact the following business: General Meeting (AGM) of the members of the Lusaka South Multi Facility Economic Zone Limited will be held on Monday the 31st of March 2025 commencing at 10:00 hours in the Board Room at the LSMEZ Offices to transact the following business:

1. Call to order, tabling of proxies and announcement regarding quorum.
2. Adoption of Minutes
To consider, confirm, adopt and sign the minutes of the 4th Annual General Meeting held on 27th March 2024.
3. Presentation by the Managing Director
To present the 2024 Financial Year performance and future outlook.
4. Resolutions:
 - 4.1. Resolution 1
Adoption of the Director's Report and Financial Statements
To receive, adopt and approve the Company's Audited Financial Statements for the year ended 31st December 2024, together with the Report of the Chairperson, Directors and Auditors.
 - 4.2. Resolution 2
Dividend
To consider the recommendation of the Board of Directors regarding dividend for the year ended 31st December 2024.
 - 4.3. Resolution 3
Appointment of Independent Auditors
Pursuant to section 257 of the Companies Act: To consider and adopt the recommendation for the appointment of the Auditors of the Company for the Financial Year ending 31st December 2025 and authorise the Directors to set the auditor's remuneration.
5. Other Business
 - 5.1. To transact such other business as may properly be transacted at an Annual General Meeting.

A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and participate in the proceedings of the Meeting. The appointed proxy may also vote on behalf of that shareholder. The proxy need not be a shareholder. To appoint a proxy, a shareholder must fill in and sign a proxy form accordingly.

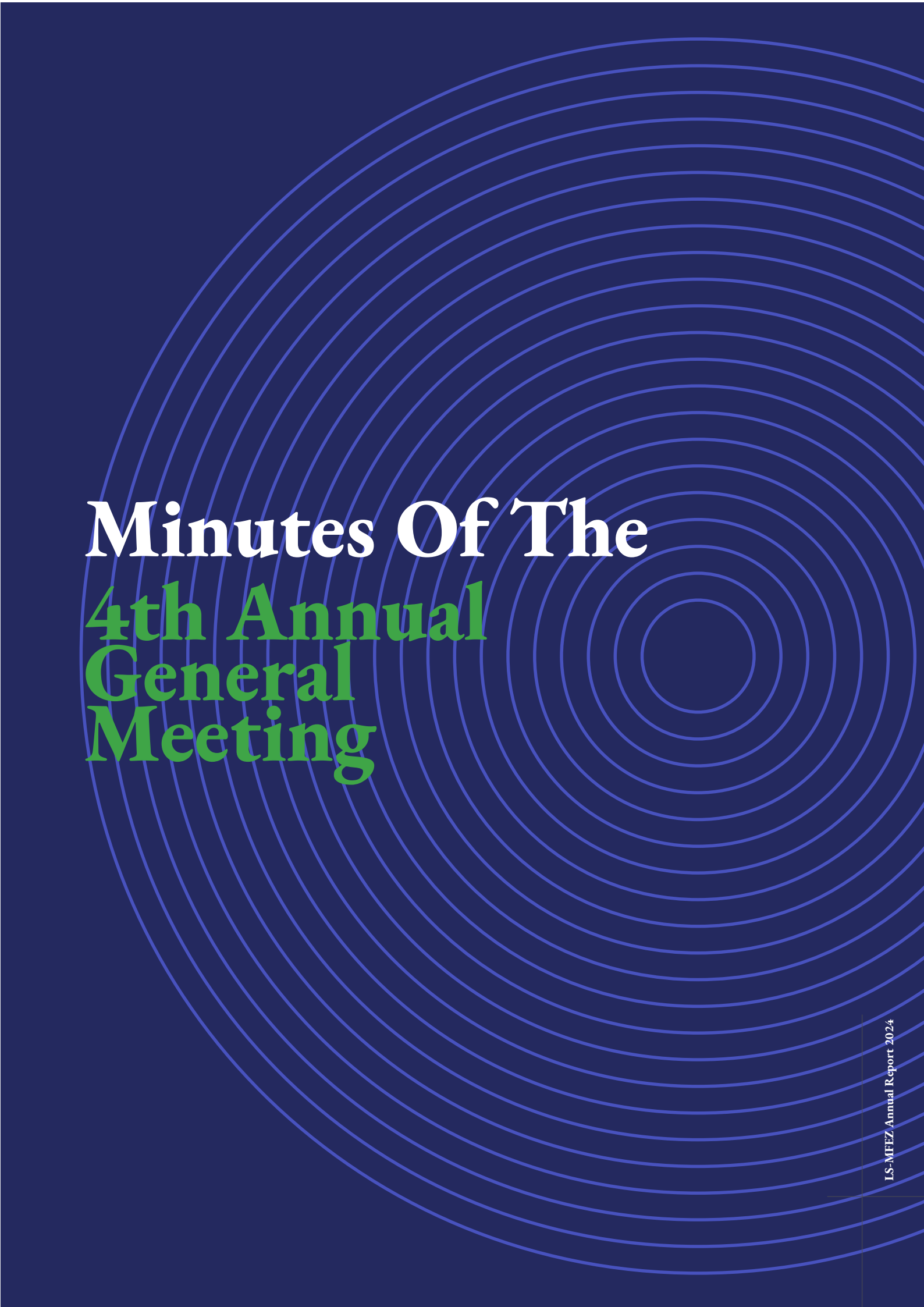
Proxy forms are available from the Company Secretary and must be lodged at the front desk/reception of the LSMFEZ Offices Chifwema Road, Lusaka.

By order of the Board



I.N. Gondwe

Director Legal



Minutes Of The 4th Annual General Meeting

Minutes Of The 4th Annual General Meeting

MINUTES OF THE 4TH ANNUAL GENERAL MEETING HELD ON WEDNESDAY 27TH MARCH 2024 IN THE LSMFEZ BOARDROOM STARTING AT 10:00 HOURS

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1. PRESENT

MEMBERS/PROXIES

Mr. Bwalya Lukonde	-Proxy for Industrial Development Corporation (IDC)
Mrs. Pamela Siame Musepa	-Proxy for Industrial Development Corporation (IDC)
Ms. Nchimunya Shatontola	-Proxy for Secretary to the Treasury

DIRECTORATE

Mr. B. Chiyaba	-Chairperson
Mr. P. Muyumbana	-Member
Mr. S. Mataka	-Member
Mrs. K. M. Kabalata	-Member
Mr. C. D. Tailor	-Member
Mrs. I. N. Gondwe	-Acting Managing Director (Company Secretary)

IN ATTENDANCE

Mr. Radderford Mandaza	-AMG Global Chartered Accountants
Mr. F. Mukuka	-Head -Finance & Administration
Mr. M. Zulu	-Head-Technical, Planning & Compliance
Mr. M. Mwenda	-Head -Commercial & Marketing
Mrs. J. C. Mbewe	-Manager -Internal Audit
Mr. B. Zimba	-Manager Finance & Administration
Mrs. R.M. Masuku	-Legal Assistant

2. CALL TO ORDER

A quorum having been met, the Chairperson called the meeting to order at 10:16 hours.

3. APOLOGIES

No apologies for absence were recorded.

4. ADOPTION OF THE AGENDA

4.1. The notice and agenda were adopted as presented.

5. CONFIRMATION AND APPROVAL OF PREVIOUS MINUTES

6. DECLARATION OF INTEREST

6.1. There were no declarations of interest.

7. PRESENTATION BY THE MANAGING DIRECTOR

7.1. The Acting Managing Director, Mrs. Inonge N Gondwe made a presentation on the 2023 performance of the Company as contained in the Annual Report.

7. The meeting deliberated on the Managing Director's presentation.

8. ADOPTION OF THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

8.1. The Directors Report and Annual Financial Statements for the year ended 31st December 2023 were presented.

8.2. It was resolved that the Directors' report and Financial Statements for the year ended 31 December 2023 be approved and adopted and that all matters undertaken and discharged by the Directors on behalf of the Company be confirmed.

9. DECLARATION OF DIVIDEND

9.1 The Chairperson called upon the Chairperson of the Audit and Risk Committee, Mrs. Kasumpa Mwansa Kabalata to present the recommendation of the Board regarding the declaration of a dividend.

9.2 The Chairperson of the Audit and Risk Committee reported that as a result of the Company's continued good performance in the 2023 financial year, and in line with the IDC's dividend policy, the Board recommended a dividend of One Million Five Hundred and Ninety-Six Thousand, Five Hundred and Thirty-Seven Kwacha (ZMW1,596,537.00)

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- 9.3. It was resolved that the recommendation of the Board of Directors regarding the payment of a dividend of ZMW 1,596,537 for the year ended 31st December 2023 be and was approved.
10. CONFIRMATION OF APPOINTMENT OF DIRECTORS
- 10.1. It was resolved that the appointment of Mr. Boster H. Chiyaba, Mrs Kasumpa Mwansa Kabalata, Mr. C. D. Tailor, Mr. Philip Muyumbana and Mr. Sanga Mataka be confirmed.
11. APPOINTMENT OF AUDITORS
- 11.1. It was resolved that Messrs AMG Global Chartered Accountants, be re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting and that the Board of Directors be authorized to approve the remuneration of the auditors.
12. ANY OTHER BUSINESS
- 12.1. Mrs Pamela Siame Musepa on behalf of the shareholders congratulated Management of LSMFEZ Limited for increased profitability and observed that LSMFEZ Limited was now one of the Companies in the IDC Group that was consistently declaring dividends. Mrs Musepa further explained that it was believed that under the stewardship of the new Board, it was hoped that more would be achieved.
- 12.2. Ms. Nchimunya Shatontola on behalf of the Secretary to the Treasury commended Management for the ZMW 1,596,537 dividend declaration and implored them to continue in the same vein. Mrs Nchimunya further explained that the shareholders would like to see financial sustainability from Management and innovations to better the Zone.
- 12.3. The Chairperson of the Board in closing the meeting assured the Shareholders that his Board would continue to push for results and ensure that set objectives were achieved.
- 12.4. There being no further business to transact, the Chairperson thanked the Shareholders for their participation, the Board of Directors and Management for their attendance and the Secretary for organizing the meeting.
- 12.5. The meeting closed at 11:05 hrs.

CHAIRPERSON

SECRETARY

Dated theday of2025

Lusaka South Multi Facility Economic Zone Limited (LS-MFEZ)

FORM OF PROXY

I/We _____

(Name/s in block letters)

of _____

being a member of Lusaka South Multi Facility Economic Zone Limited and entitled to vote; hereby

appoint _____

of _____

or, in his absence _____

of _____

as my proxy to vote for me/us on my/our behalf at the 1st AGM of the Company to be held on Tuesday, the 29th of June 2021 at 09:30 hours at the Lusaka South Multi Facility Economic Zone Limited Offices and at any adjournment of that meeting.

Signed by me/us this ____ day of _____ 2021

Signature of Member _____

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
2. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless the Company has already recorded that authority.
3. *In order to be effective, proxy forms must reach the registered office of the Company 48 hours before the appointed time of the meeting.*

Notes

2024

ANNUAL REPORT



LUSAKA SOUTH
MULTI-FACILITY
ECONOMIC ZONE
LIMITED