75 years of helping Africa achieve food security

SEED CO 75 1940 - 2015

The African Seed Company

2015 ANNUAL REPORT

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Further information

Go online for more details

This report covers the financial year ended 31 March 2015. It is also available on our website as a downloadable PDF www.seedcogroup.com/annualreport

For more detailed information about Seed Co please refer to our website www.seedcogroup.com/investors

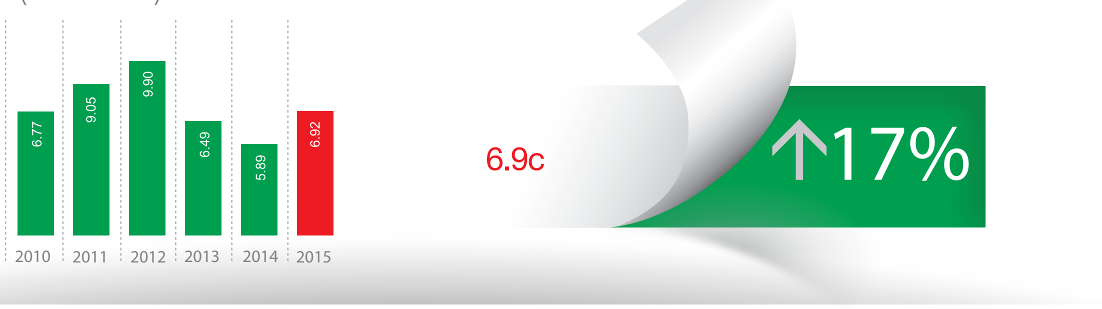
Seed Co Limited, a public listed company incorporated in Zimbabwe and quoted on the Zimbabwe Stock Exchange, is the leading producer and marketer of certified crop seeds in Southern Africa.

Performance Highlights

Group Revenue US$000s

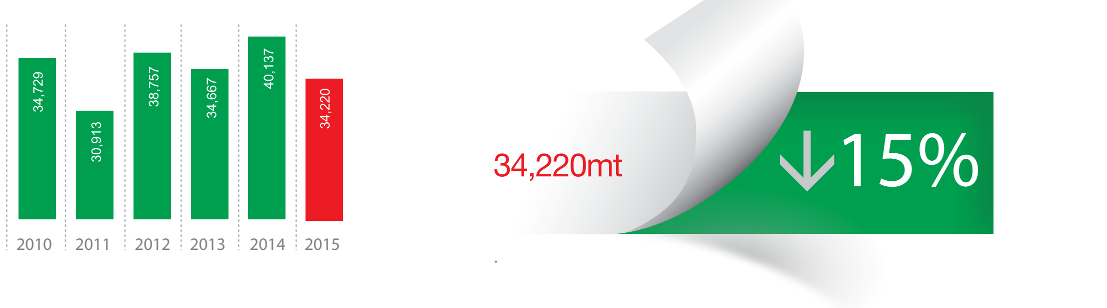
Group PAT US$000s

EPS (US cents)

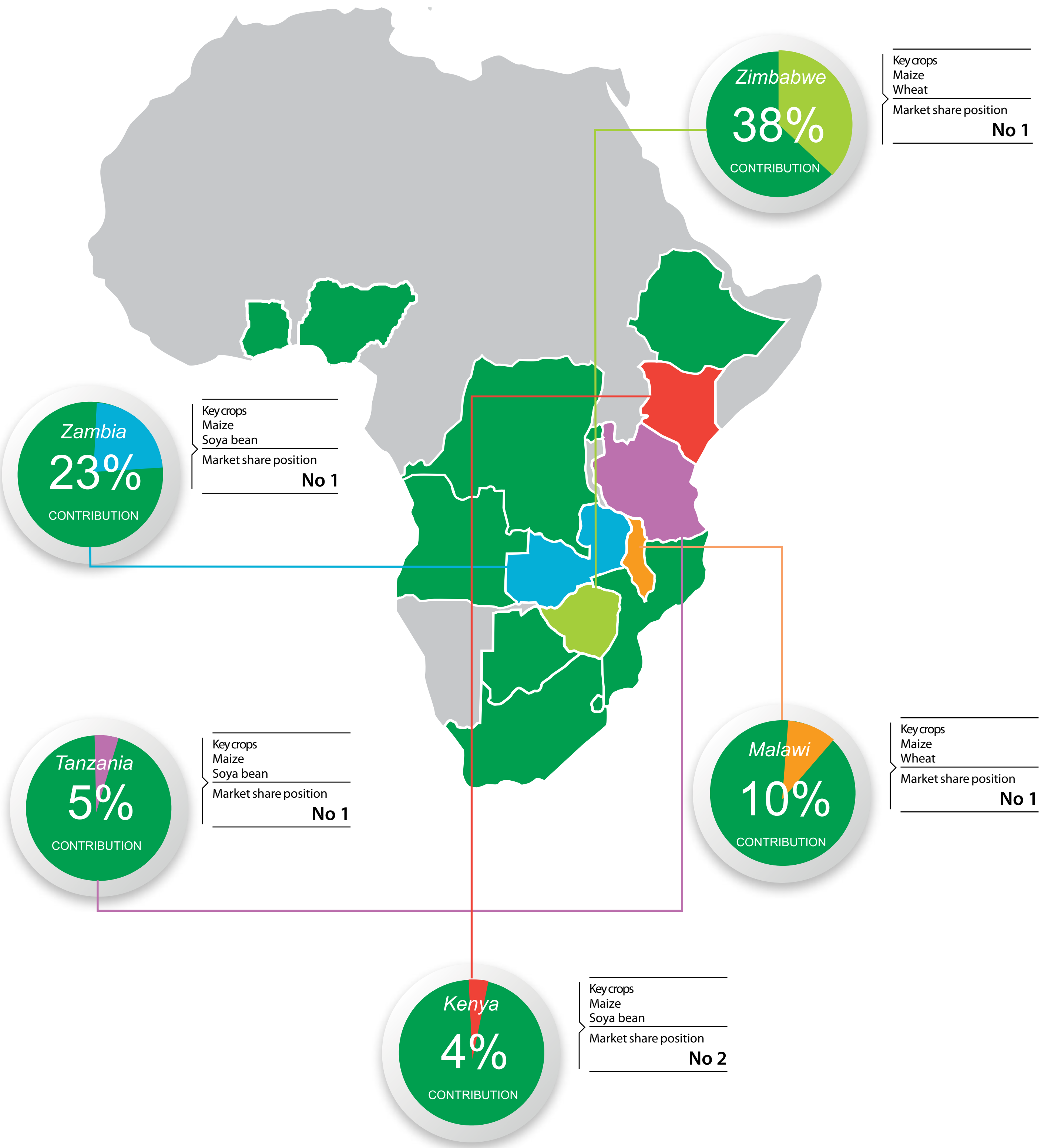


R&D Expenditure US$000s

Seed Maize volumes



Contribution to Group revenue



The African Seed Company

People making history

The 75th year anniversary celebrations marked the begining of new frontiers in the seed business. The strategic technical partnership between Seed Co and Limagrain will bring a new sphere in hybrid seed breeding.

CELEBRATING 75 YEARS

75 years of great strides to success

The Grower

30 YEARS OF SR52

Pledge to boost agricultural production

Communal farmers given 20 tonnes of sunflower seeds

eed Co-op rower wins award

Seed Co-op plant commissioned

Seed Co-op opens new headquarters

THE Stapleford headquarters was officially opened by the Minister of Lands, Kumbirai Kangai last week. The $24 million complex covers a floor area of two hectares and can stock over 37 500 tonnes of seed.

● Distribution of all seed is now at an advanced stage but stock shortages are being experienced. According to a statement from Seed Co-op short season maize is no longer available but some

Officials focus on seed breeding

$2m seed plant opened

Herald Reporter

A NEW $2 million seed-cleaning and packing plant was yesterday commissioned at the new Seed Co-op Company premises in Stapleford, 24 km outside the city centre.

The machinery is housed in a nearly completed warehouse of the five previous locations it operated from in the industrial sites.

The new expansion programme was seen as a move to provide a better service and to become more effective in the SADCC region.

The plant, produced by an Austrian company, Heind, was commission-

share capital increase, $4 million from a preference share scheme and the remaining $14 million was negotiated through a mortgage facility using local financial institutions.

100m more allocated for seed packs

dditional $100 million has been allocated to buy seed packs for distribution to drought-hit communal farmers' almost double the sum set aside.

The Minister of Lands, Agriculture and Rural Development, Cde Kumbirai Kangai, said in an interview yesterday that initially, million had been made available, but had been boosted to $210 million to ensure that every communal producer received free seed packs.

provision packs was running late because had been a shortage of funds. But Cde said within the next two weeks — for which the Meteorological Department has predicted good rains — 80 percent of the communal farmers would have received the packs.

From today, Road Motor Services trucks of the National Railways of Zimbabwe would be collecting seed for distribution to the communal areas. Trucks from the army would also be drafted in to help later.

Farmers in maize growing regions were being given enough seed maize for their requirements, while those in low rainfall areas, such as natural regions IV and V, were being given enough maize seed to plant 4 000 square metres and the rest of the pack would be seed for drought-resistant crops, such as sunflowers.

The minister, who officially opened the $24 million Seed Co-op seed handling facility in Stapleford, assured the nation that there was enough stockpiled seed of all major crops to enable larger plantings to take place in the coming season.

"Despite the current drought, I am informed that sufficient quantities are available to ensure that plantings larger than those achieved in the last four years can be expected in the coming season." — Ziana.

The African Seed Company

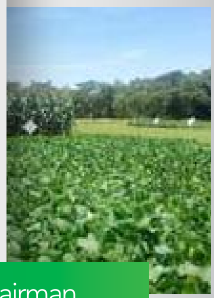
75 years of bumper harvests

We will continue developing our R&D portfolio to ensure good harvests in Africa. Business growth strategies will seek out new business opportunities and new partnerships.

CELEBRATING 75 YEARS

Chairman's Statement

John P. Rooney - Chairman



Dear Shareholders,

Introduction

I am pleased to present to you the Annual report for the Financial year ended 31 March 2015.

This year the company celebrates a very important milestone, 75 years of providing Hybrid Seed solutions to the African farmer.

I am pleased to report that your company managed to achieve respectful earnings growth despite another year of serious challenges, due to early season variety stock shortages in the maize business and the worsening industry environment in the cotton business.

I am delighted to report, that our partnership with Limagrain is working very well and is expected to be mutually beneficial to take your company to the next level in research and development. The conclusion of the equity partnership this year, has resulted in Limagrain now having a 30% stake and their capital injection significantly strengthened the balance sheet of the company.

The company successfully concluded an equity partnership with Mahyco resulting in a 60% stake in the cotton seed businesses being disposed off to the latter.

The newly constructed factory and premises in Malawi are now operational and the Harare research laboratory is now fully equipped and functional. This will see your company using modern research facilities and technology and shorten time to market on new product development.

"I am delighted to report that our partnership with Limagrain is working very well and is expected to be mutually beneficial to take your company to the next level in research and development"

Environmental Overview

The business experienced an initial sales drag in all markets due to the late onset of the rains. In Southern Africa, effective rains were only received mid to end December fueling strong purchase preferences of early to medium maturing varieties at the expense of long season varieties. In East Africa, late start of the second season in March resulted in demand for the short season varieties which were in short supply.

All Strategic Business Units (SBU), with the exception of Malawi and Kenya, lost momentum due to supply shortages of key varieties. Consequently, while demand was buoyant all early maturing varieties ran out in all the markets.
Most countries in the region continue to underpin their economic revival and growth on agriculture, with the Governments, inevitably being the largest customer for hybrid seed due to the various input programs in almost all the countries

Financial Review

Group turnover retreated by 11% to $95m due to maize seed product shortages.

Gross margins decreased by 1% to 46% while the operating costs were reduced by 11% Group profit after tax (PAT) increased by 27% to $15m.
Basic and diluted earnings per share (EPS) up 6% to 6,92 cents and 6,89 cents respectively.
The balance sheet grew by 9% to $187m with non current assets increasing from $49m to $89m due to the completion of new business premises in Malawi and conversion of $23,7m worth of Zimbabwe Government debt to 3 to 5 year treasury bills.

Borrowings reduced by 90% to $5m, with the new capital injection by Limagrain playing a huge part.

Seed Supply

With stock outs at almost all the businesses, production has been ramped up to ensure enough product to meet demand in the coming season with more emphasis on quality and short to medium season varieties.

Research and Technology

Pleasing to note 5 new releases in the past year. The maize lethal necrosis disease (MLND) disease is still a great concern in the Great Lakes Region of East Africa and the company is continuing collaboration with Cimmyt and Limagrain to develop tolerant and resistant products.

The new Technology Laboratory in Harare is now complete at Rattray Arnold Research Station (RARS) and this will enable the breeders to fully encapsulate latest technologies in all breeding activities.

New Business Development

The company is still on course to establish key regional beachheads that will enable the Group to launch into new geographical markets in Africa. Efforts are continuing to develop the business in Nigeria amid challenges of securing production contracts with competent growers as well as instability from political extremists in that country.

In Ethiopia, difficulties of securing a business license continue to hamper progress.

The Democratic Republic of Congo (DRC) continues to be an exciting market and more resources are being channelled towards developing this promising market.

Future Prospects

I am optimistic that your company will continue to grow benefitting from:

- The strategic technical partnership with Limagrain, which has so far enabled the Group to access the latest technologies in hybrid seed breeding activities, and the commissioning of the recently completed technology laboratory.
- The expertise of Limagrain in the vegetable business to grow this new line of business in all our markets.
- Increasing market share in East Africa with Kenya, Tanzania and DRC all continuing on an impressive growth projectile
- Continued Government and donor-funded input programs in Zambia and Malawi
- Breaking into the West African market with high performing proprietary and licensed products as we continue to intensify our bulking of released products in this market.

Directorate

I would also like to take this opportunity to welcome Mr Michel Debrand, who was appointed as the third representatives of Limagrain on the Board with effect from 7 November 2014. Mr Gilles Longour was appointed an alternate director to Mr Juilliard.

Our new Board has settled in well and I thank them all for their considerable input and the support they have given me.

Conclusion

I would like to congratulate the group Chief Executive, Morgan Nzwere for receiving the 'The Megafest Business 2014 - CEO of the year award'. I would also like to thank Morgan for his leadership and to management's contribution during the past year.

With a solid foundation built over the last 75years and the new partnerships having been established together with the solid team of management and staff, I am confident that your company will continue to forge ahead the competition and remain the African Seed Company of choice.

By Order of the Board

J P Rooney
Chairman
10 June 2015

Chief Executive Officer's Review

Morgan Nzwere - Group Chief Executive Officer

Overview

The year under review was characterized by late rains in almost all our major markets creating very high demand for short to medium maturity seed varieties which resulted in acute product stock outs in most markets. This resulted in overall Group maize sales volume and revenue declining by 15% and 11% respectively. Notwithstanding the subdued performance, the Group achieved a PAT growth of 27% compared to prior year The group profit performance is attributable to sustainable value extraction through price reviews and cost containment

The second tranche of the capital injection by Limagrain came through in December 2014 , leading to the latter increasing its shareholding from 15% last year to 30%.

The deal to bring in a suitable partner in the cotton seed business has seen Mahyco of India taking a 60% stake in Quton, whose performance continues to hampered by the discord in the cotton industry with farmers citing viability concerns under current price regimes. All the cotton seed businesses made losses during the year with sales volumes reducing by 60%.

" I would also like to thank our new Technical partner, for the assistance they continue in our bid to bring cutting edge technologies to the business . . ."

Chief Executive Officer's Review

Group Financial Review

Financial Results

Revenue:

Group turnover retreated by 11% to $95m due to maize seed product shortages as demand shifted to the medium to short season varieties due to poor rains. Maize volumes were 15% lower than prior year.

Margins

Margins remained at prior year levels.

Other Income

Other Income went up by 18% due to exchange gains recorded in Zambia and Malawi.

Overheads

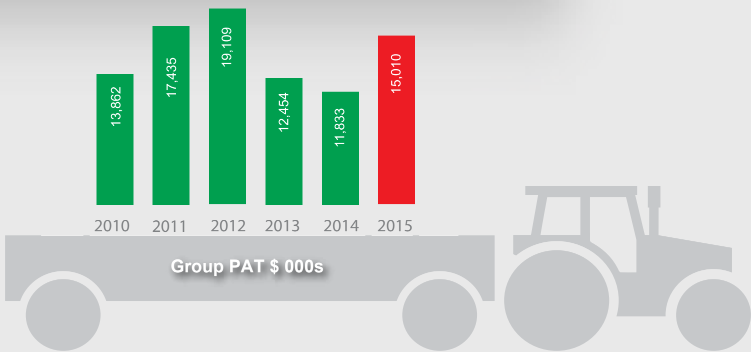
Operating costs were contained at $31,2m which was 11% lower than prior year despite increased investment in research and development , expansion of the distribution network in the new markets and brand building activities in all markets.

Finance Charges

Finance charges reduced by 56% due to a combination of debt collection as well as the positive effects of capital injection from Limagrain.

Earnings.

Group PAT from continuing operations increased by 19% to $14,8m. Losses from discontinued operations were reduced by $2,6m profit on disposal of the 60% stake in the cotton seed business. Overall PAT of $15m was 27% above prior year.



$15 m

Group profit after tax

Chief Executive Officer's Review

Statement of financial position

Non Current Assets

Non-current assets have increased due to the inclusion of treasury bills worth $23,7m issued by the government of Zimbabwe to settle prior year debt .

The increase in property, plant and equipment was mainly due to the capitalization of the Malawi factory, warehouse and new office complex which was commissioned in November 2014 and revaluation of land and buildings at year end.

The Investment in Associate of $3,5m represents the 40% remaining stake in Quton Seed Company.

Current Assets

The current assets at $98m were 19% lower than prior year mainly due to reduction in trade receivables and inventories.

Accounts Receivable

- Accounts receivable have been reduced by 42% to $44m due to more aggressive debt collections and the conversion of $23,7m due from Zimbabwe Government to 3-5 year treasury bills.
- Out of the $44m trade receivables at year end, $20m was owed by various Governments across the region , of which $7.8m was subsequently collected after year end.
- Off the amount due from retail debtors, $10.6m was collected after year end.

Inventory Levels

Inventories were reduced by 37% to $ 20,4m as the Group entered its last phase of clearing all the carry over stocks. The stock re-balancing exercise aimed at substantially reducing stock levels across all SBUs which was embarked on some two seasons ago was completed and with the Group experiencing a stock out position on the early and medium maturing varieties in most markets, we have started ramping up production to meet demand in the coming season.

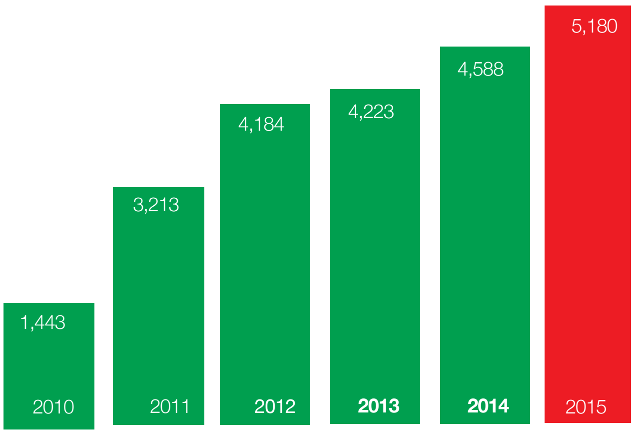
Financial Assets and Borrowings

Financial assets of $14m at year end were short term deposits placed with reputable banks at 8% interest rates.

A combination of aggressive debt collection coupled with the capital injection from the new equity partner reduced the net debt position of the Group from $28m last year to cash positive $8.5m at year end.

Research & Development

- The Group investment in Research and Development this year as a % age of revenue went up from 4,31% last year to 5,47%. The trend over the years is as shown below:



Group Investment in Research $ 000s

- The Group continues to release improved products in all markets with 5 new products having been released this year.
- The Technology Laboratory at Ratray Arnold Research station for stepping up Double Haploid (DH) line generation and initiating of electrophoretic fingerprinting is now complete and functioning.
- The joint expertise of Limagrain and CIMMYT together with the Seed Co breeding team are working tirelessly to come up with products that are resistant to MLND which is threatening all the maize seed products in East Africa.

Chief Executive Officer's Review

Business Development

- Efforts are continuing to develop the business in Nigeria amid challenges of securing production contracts with competent growers as well as instability from political extremists in that country.

- DRC continues to be an exciting market and more resources are being channelled towards developing the footprint.

- In Ethiopia, difficulties of securing a business licence continue to hamper progress.

People

The Group continues to invest in training and development of its staff with most of the scientists at advanced stages of their PHD programs and exposing them to the latest breeding practices and now benefiting immensely from the technical partnership with Limagrain.

Operations

Overview

- Zambia achieved another year of strong financial results. Successful price management and intensified sales execution together with optimum product supply drove strong performance.
- Zimbabwe presented a mixed selling season with a huge demand across markets with limited supply of short season varieties which saw the business importing from Zambia and Malawi to contain demand.
- In Malawi the government subsidy input program decreased which saw the business selling less than prior year. Poor germination problems negatively impacted on sales performance.
- Kenya had an excellent start, delivering a 20% volumes growth year on year. Performance was supported by effective territory management and early rains that were experienced in October/November giving a boost to product uptake.
- Tanzania's performance was affected by supply constraints.

Zimbabwe

- Total turnover of $36,8m was 12% lower than prior year due to a smaller government inputs program order and product shortages
- Gross margin at 50% was marginally up benefitting from value offering and selling price review.
- Operating margin stayed constant as costs were contained.
- Net finance costs benefitted from the new capital injection and improved cash sales.
- PAT of $7,2m was achieved.
- The SBU managed to sell 3900mt for cash to Government through a factoring structure with banks.
- The long outstanding Government debt has now been fully repaid through Treasury Bills and tax set offs.
- The business unit embarked on a Grower Transformation Initiative to improve irrigation facilities at key seed growers.

Zambia

- The Business Unit achieved a turnover of $30m which was slightly lower than prior year of $30,6m due to the devaluation of the Kwacha.
- A growth of 13% has been recorded on local hybrid maize seed sales over the last year.
- With the low commodity prices on Maize, the majority of the commercial farmers opted to plant Soyabeans.
- The gross profit percentage of 49% is 2% lower than prior year after stock write downs
- PBT of $7,8 m was achieved as compared to prior year of $7,4m

Malawi

- Turnover at $12,5m was 7% lower than prior year. The government subsidy input program was reduced this year as the donors only partially funded the program after the cash gate scandal last year.
- The SBU achieved a PAT $2,2m compared to the prior year figure $0,8m.
- The business is now operating from the newly constructed factory which was commissioned in November 2014.

Tanzania

- The business unit experienced a tough and difficult year, characterized by
  - poor rainfall pattern,
  - increased operation costs,
  - supply chain constraints
  - and the absence of properly constituted subsidy program.
- These factors impacted negatively on volume and earnings performance with sales volume declining by 25% .
- Adequate measures have been put in place in the current season to ensure adequate seed to meet demand.

Chief Executive Officer's Review

Kenya

- Turnover at $8,7m was 20% above prior year due to higher seed uptake as the business unit makes inroads into this market which has previously been dominated by competitors.
- Gross profit of 34% was 3% higher than prior year as local production increased.
- PBT of $0,958m was 29% higher than prior year.
- New and better research facilities have been established in the Kenyan Highlands.
- Local production of highland varieties is being ramped up and seed drying facilities being installed in time for the coming season.

Seed Co International

- Turnover at $10m was 31,6 % above prior year due to higher seed uptake as the business in Botswana won all the Government contracts
- Overheads were contained at 15% below prior year inspite of the increasing development work in new markets.

Quton Seed Company

- Cotton revenues were adversely affected by a number of factors, among them, major customers facing viability challenges, governments' failure to back their orders with cash and increased competition from Chinese suppliers. Sales volumes retreated by 59% .
- Overheads were less than prior year due to operational efficiencies initiated by the business unit in the face of shrinking revenues.
- The consolidated loss for the year from the three Quton businesses were $2,4m as compared to the loss of $366k achieved in prior year.

Outlook

- The Group's future growth will come from
    - Expansion into the vegetable business with the acquisition of Prime Seeds and establishment of this new income stream in all our current markets and leveraging on the vegetable expertise of the Limagrain Group.
    - Continued growth in East Africa with further gains in market share in Tanzania through expansion of distribution network, and entry into the lucrative highland market in Kenya.
    - A strong balance sheet which will see the Group being able to finance growth in new markets without increasing the finance costs.
    - Focus on the short to medium season seed varieties whose demand could increase with the changing weather patterns.
    - Adoption by farmers in the drier parts of the continent of the recently released 300 early maturing series which are yielding better than some medium maturing varieties.
    - The strategic technical partnership with Limagrain, leading to increased access to cutting edge technologies and quickening the Group's product release cycle while the fresh capital will finance growth in new and existing markets and enable the Company to sustain its dominant position in the seed business in Africa.
    - Breaking into the West African market with the Group's own products that have been released there and the scaling up of production which is currently the bottleneck.

Acknowledgement

I would like to once again acknowledge the continued dedication of the Seed Co team for taking the business through a very challenging year and thank the Board of directors for support of all the initiatives that we undertook in the current year . I would also like to thank our new Technical partner, for the assistance they continue to give in our bid to bring cutting edge technologies to the business, and all our staff, customers and key stakeholders for their continued dedication to the brand.

M Nzwere
Group Chief Executive
10 June 2015

The African Seed Company

Research and development

Research and development delivers innovation that addresses growers' need to increase farm productivity sustainably. Our 75th year anniversary also coincides with the completion of our new bio-tech laboratory at RARS for stepping up DH line generation and initiating of electrophoretic fingerprinting.

CELEBRATING 75 YEARS

The new bio-technology laboratory

The African Seed Company

Board of Directors

M.S Ndoro, P Gowero, C Kabaghe, M Nzwere (Group Chief Executive), B Carette, Dr D Garwe, J CJuilliard, J P Rooney (Chairman), D E B Long, M Debrand, J Matorofa (Group Finance Director), Dr C.B.M Utete.

CELEBRATING 75 YEARS

Report of the Directors

Share Capital

Authorised :-

The authorised share capital of the company remained unchanged at US$500 000. The authorised share capital is made up of 500 000 000 ordinary shares of $0,001 each.
The issued and fully paid share capital increased during the year as follows:

Issued and fully paid at 31 March 2014	206 297 726
Issued during the year:	
Share option scheme	761 307
Vilmorin & Cie	27 389 433
Issued and fully paid at 31 March 2015	234 448 466

At 31 March 2015, 265 551 534 unissued shares were under the control of the Directors of which 13 704 307 (2014: 13 767 307) were committed to the share option scheme.
At 31 March 2015 options for a total of 6 448 200 shares had not been exercised or forfeited.

THE CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND

Accounting Policies

The consolidated financial statements have been prepared both in accordance with International Financial Reporting Standards (IFRS) and in compliance with provisions of the Companies Act (Chapter 24:03) and the relevant regulations there-under.

The Group Year's Results

The annexed Financial Statements adequately disclose the results of the Group's operations during the year. They should be read in conjunction with the Chairman's statement and Chief Executive's review of operations.

Dividend

The board is recommending that a dividend of 1,00 cent per share be declared to shareholders in the register as at 26 June 2015. The dividend will be paid to shareholders on or about 29 July 2015.

Capital Expenditure

Group capital expenditure for the year to 31 March 2015 totaled US$8,544,904 (2014:US$8,972,676). Capital expenditure for the year to 31 March 2015 is planned at $7,338,501.

Directorate

Mr. Gilles Longour was appointed as an alternate director to Mr. Jean-Christophe Juilliard (Deputy CEO of Limagrain Group), will Mr Michel Debrand was appointed director with effect from 7 November 2014.

Risk Management

The Group takes a proactive approach to risk management .
The table on page 20 outlines the major risks that we constantly manage, that may materially affect our business, financial condition or results of our operations:

At 31 March 2015, the Directors held beneficial interests nil (2014-Nil) shares in the company as disclosed in note 16.5 to the financial statements.

Members will be asked to approve the payment of directors' fees amounting to $170,536 in respect of the year ended 31 March 2015(31 March 2014 $235,829).

Members will be asked to re-appoint Ernst & Young as Auditors of the company for the ensuing year.

For and on behalf of the Directors.

J MATOROFA
COMPANY SECRETARY
10 June 2015

75

1940 - 2015

SEED▲CO

The African Seed Company

Best packaging for the best seed

Our new hi-tec packaging machine and materials ensures that seed gets to the farmer still with the best quality we intend it to be.

CELEBRATING 75 YEARS

Risk management

Principal risk	Context	Impact	Mitigation measures
Foreign Exchange Risk	The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expenses are denominated in a different currency).	Reduction in the real value of earnings when the currency of the markets we operate depreciate .	Regular review of the mix of local and foreign facilities , enter into USD denominated sales contracts where possible.
Interest Rate Risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The group's exposure to the risk of changes in the market interest rates relate primarily to the group long term debt obligation with floating interest rates.	High interest cost resulting in reduced earnings.	-Paying off long term loans where possible -Negotiating lower interest rates-Borrowing from markets where there are lower interest rates.
Inventory Risk	The group's inventory risk relates to seed stocks where the stocks are prone to damage/degradation during the stockholding period	Write off of stocks resulting in reduced profits	Thorough review of the sales projections to determine appropriate levels of production to avoid over stocking.
Credit Risk	The risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables). The group entities have significant transactions with the governments in the countries of operation. The propensity for the governments to honour terms of payment is rather on the low side and hence high levels of receivables on their account.	Where customers default on their payment commitment to us, the financial condition, results of operations and cashflows could be materially and adversely affected.	-Rigorous vetting of cust-omers before extending credit. -Regular review of receiv-ables to ensure adherence to payment terms -Enter into factoring arran-gements on Government debt especially with those in financial crisis
Adverse Weather & Climate change	This affects the availability, quality and price of agricultural commodities	Weather changes affect the demand of seed in the various maturity groups	Breeding early maturing seed varieties especially for those markets with shorter wet seasons
Changes in Agricultural Commodity Prices	Commodities like soya beans, wheat, cotton and fetilizers have volatile prices as they are sensitive to international changes in the supply and demand	Fluctuations in these commodity prices directly affect the cost of seed production	Fixing prices for seed purchases at the beginning of each farming season
Economic and Political Instability	The Group has substantial assets located in various African Countries and any policy changes in these countries materially affect our operations	Political instability severally affects our small scale farmers who are our main customers.Policy changes affect the key economic parameters like interest and exchange rates	Diversify the country risks by growing the Group operations in many markets / countries
Increasing Competition	Competitors may price their products below Seed Co prices and this will have an effect on the demand for these products.	Reduced sales volumes especially in those markets that are price sensitive	Continuous investment in research and development to produce seed products that outcompete the competition and strengthen the distribution network.

The African Seed Company

Make efficient crops for Africa

By applying our unique breadth of technologies and integrated strategy, augmented by collaborations with partners we will focus on aspects that make seed and crop production better in the region.

CELEBRATING 75 YEARS

75 years of developing Africa's Best Seed Portfolio

The African Seed Company

75 years of helping smallholder farmers

Seed development is essential to reducing poverty and improving the lives of families and communities in Africa. Ensuring smallholders farmers have equal access to the productive resources and services they need improves farm productivity and food security.

CELEBRATING 75 YEARS

Corporate Governance

The Directors of Seed Co Limited are committed to the principles of good corporate governance. The Board is responsible to the shareholders for the performance of the Group, its strategy, values and governance. The Board is also commited to acting with utmost good faith in its dealings with all stakeholders. The Group has adopted a Corporate Governance Manual that sets out in detail, the basic corporate governance principles that will be pursued by Seed Co Limited. In addition, all Senior employees of the Group are required to agree to and sign the Group's Conflict of interest policy.

Directors

The Board is composed of twelve directors, the majority of whom are non-executive. The Chairman of the Board is a Non-Executive Director. Board meetings are held at least quarterly to monitor the performance of executive management and deliberate on issues of company strategy and policy. The Board is responsible for the selection and appointment of the Chairman, Directors and the Chief Executive and their remuneration.

Name of Director	Number of Meetings Attended	
	Group Board	Audit Committee
Mr M Nzwere* (CEO)	4/4	4/4
Mr J P Rooney (Chairman)	4/4	4/4
Mr D Long	4/4	4/4
Dr C Utete	4/4	
Mr J Matorofa *	4/4	4/4
Dr D Garwe	4/4	
Mr M.S. Ndoro	4/4	4/4
Mr C Kabaghe	4/4	
Mr J C Julliard	4/4	4/4
Mr B Carette	4/4	
Mr P Gowero	3/4	
Mr M Debrand	3/3	

* - Executive

Financial statements and management reporting

The Board is responsible for the preparation of the financial statements and other information presented in the annual report in a balanced and understandable form. The Board is also responsible for ensuring that the Group's accounting policies are appropriate and adhere to accounting standards and that supporting judgements and estimates made are reasonable and prudent.

Comprehensive management reports, including the annual budget are presented to the Board regularly. Performance is reviewed against the budget and revised forecasts.

Audit Committee

The Board delegates certain of its responsibilities to the Audit Committee, which is composed of four non-executive directors. The Audit Committee liaises with the company's external auditors on accounting, internal control and financial reporting matters. The Group's financial statements, including certain disclosures are reviewed by the Audit Committee prior to their adoption by the Board and publication.

The Committee reviews the effectiveness of internal control systems and risk management processes within the Group and has set up an internal audit unit to ensure compliance with rules, regulations and policies.

Remuneration Committee

The Board has a remuneration Committee comprising of three non-executive directors. The Committee meets when required and sets the remuneration of executive Directors and senior management, including the granting of share options.

Nomination Committee

The Nomination Committe is made up of a Non-Executive Chairman and two Non-Executive Directors. It assists with the identification and recommendation of potential Directors to the Board.

Environment

Seed Co Ltd believes that the protection of the environment is critical to the long-term sustainable future of the region and its people. The company is committed to acting responsibly in respect of health, safety and environmental issues.

The African Seed Company

Addressing challenges faced by farmers

We are helping to accelerate technology adoption in the emerging markets. Sales have also continued to grow in operating countries, where we enable growers to deal with problems such as weed and insect resistance.

CELEBRATING 75 YEARS

Directors' Approval of Group Financial Statements

Responsibility

The Directors of the company are responsible for the preparation and integrity of the annual financial statements and related information contained in this report. The financial statements are required by law and International Financial Reporting Standards (IFRS) to present fairly the financial position of the Group and the company and the performance for that period.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies Act. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Compliance with Companies Act (Chapter 24:03) and Statutory Instruments (SI 33/99 and SI 62/99)

These financial statements which have been prepared under the historical cost convention are in agreement with the underlying books and records and have been properly prepared in accordance with the accounting policies set out in note 2 of the financial statements, and comply with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant regulations made there under.

Compliance with International Financial Reporting Standards (IFRS)

The financial statements comply with the requirements of IFRS.

Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

Significant assumptions and estimation uncertainties relating to assets and liabilities carried at fair value

The significant assumptions and the estimation uncertainties pertaining to items that are carried at fair value have been disclosed in note 2 to these financial statements.
These financial statements have been approved by the Board of Directors and are signed on its behalf by:-

J P Rooney

10 June 2015

M Nzwere

10 June 2015

The African Seed Company

From a growers perspective

To meet our strategic goals, we look at farming from the ground up. By seeing things from the grower's perspective, crop by crop, we aim to combine technologies into innovative solutions that can transform the performance of farms large and small.

CELEBRATING 75 YEARS

Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
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Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
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Zimbabwe

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEED CO LIMITED

Report on the Consolidated and Company Financial Statements

We have audited the accompanying consolidated and company financial statements of Seed Co Limited set out on pages 29 to 66, which comprise the consolidated and company statement of financial position as at 31 March, 2015, the consolidated and company statement of comprehensive income, the consolidated and company statement of changes in equity and the consolidated and company statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated and Company Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and company financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated and company financial statements present fairly, in all material respects, the financial position of Seed Co Limited as at 31 March, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, the consolidated financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments.

Ernst & Young

Ernst & Young

Chartered Accountants (Zimbabwe)

Registered Public Auditors

Harare

11 June 2015

FOR THE YEAR ENDED 31 MARCH 2015

	Note	GROUP 2015 US$	GROUP 2014 US$	COMPANY 2015 US$	COMPANY 2014 US$
Continuing operations					
Revenue		94,659,536	106,534,790	-	-
Cost of sales		(51,072,978)	(56,804,925)	-	-
Gross profit		**43,586,558**	**49,729,865**	-	-
Other income	3.2	4,319,623	3,663,003	4,764,556	1,558,806
Operating expenses		(31,246,348)	(35,034,046)	(212,046)	(166,923)
Selling and distribution expenses		(8,586,179)	(6,976,481)	-	-
Administrative expenses		(17,480,617)	(23,469,549)	(212,046)	(166,923)
Research expenses		(5,179,552)	(4,588,016)	-	-
Operating profit	3	**16,659,833**	**18,358,822**	**4,552,510**	**1,391,883**
Finance income	3.4	2,846,750	4,802,027	27,200	-
Finance cost	3.5	(3,183,978)	(7,239,099)	-	-
Share of loss of associates	9	(124,529)	-	-	-
Profit before tax		16,198,076	15,921,750	4,579,710	1,391,883
Income tax expense	4	(1,341,246)	(3,454,611)	(265,000)	(307,316)
Profit from continuing operations		14,856,830	12,467,140	4,314,710	1,084,567
Discontinued Operations					
Profit/ (loss) for the period from discountinued operations	30	152,911	(633,709)	-	-
Profit for the year		15,009,741	11,833,431	4,314,710	1,084,567
Attributable to:					
Equity holders of the parent		15,240,587	11,795,957	4,314,710	1,084,567
Non-controlling interest		(230,846)	37,474	-	-
Profit attributable to shareholders		15,009,741	11,833,431	4,314,710	1,084,567
Earnings per share					
Basic, earnings for the year attributable to ordinary equity holders of the parent - cents	17.5	6.92	5.89		
Diluted, earnings for the year attributable to ordinary equity holders of the parent - cents	17.5	6.89	5.89		

CONSOLIDATED AND COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	GROUP 2015 US$	GROUP 2014 US$	COMPANY 2015 US$	COMPANY 2014 US$
Profit for the year	15,009,741	11,833,431	4,314,710	1,084,567
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(7,905,310)	(6,748,766)	-	-
Recycling of translation reserve to profit or loss	390,506	-	-	-
	(7,514,804)	**(6,748,766)**		
Items that will not be reclassified subsequently to profit or loss:				
Revaluation of property, plant and equipment	12,199,355	-	-	-
Income tax effect	(1,328,889)	-	-	-
	10,870,466	-	-	-
Other comprehensive income/ (loss) for the year, net of tax	**3,355,662**	**(6,748,766)**	-	-
Total comprehensive income for the year	**18,365,403**	**5,084,665**	**4,314,710**	**1,084,567**
Atributable to:				
Equity holders of the parent	18,596,249	5,070,346	4,314,710	1,084,567
Non-controlling interest	(230,846)	14,319	-	-
	18,365,403	**5,084,665**	**4,314,710**	**1,084,567**

AS AT 31 MARCH 2015

	Note	Group 2015 US$	Group 2014 US$	Company 2015 US$	Company 2014 US$
ASSETS					
Non-current assets					
Property, plant and equipment	6	58,357,840	47,126,710	-	-
Investment property	7	304,720	342,200	-	-
Goodwill	12	-	186,753	-	-
Investment in subsidiaries	10	-	-	36,361,020	11,773,075
Investment in associates	9	3,541,680	-	-	-
Financial assets held to maturity	8	24,685,744	1,079,901	-	-
Deferred tax asset	4.3	2,119,830	386,841	-	-
		89,009,814	49,122,405	36,361,020	11,773,075
Current assets					
Inventories	13	20,482,833	32,567,929	-	-
Biological assets	14	817,961	976,823	-	-
Trade and other receivables	15	56,411,010	83,618,098	-	-
Amounts owed by group companies	11	-	-	14,261,002	7,165,015
Cash and cash equivalents	16	20,255,496	4,026,614	-	-
		97,967,300	121,189,464	14,261,002	7,165,015
Total assets		**186,977,114**	**170,311,869**	**50,622,022**	**18,938,090**
EQUITY AND LIABILITIES					
Equity					
Share capital	17.2	234,449	206,298	234,449	206,298
Changes in owership reserve		190,277	190,277	-	-
Non-distributable reserves	18	41,208,865	12,106,174	44,741,534	17,422,844
Retained earnings		106,169,213	89,356,965	5,343,161	1,028,451
Equity attributable to equity holders of the parent		**147,802,804**	**101,859,714**	**50,319,144**	**18,657,593**
Non-controlling interest		-	(76,676)	-	-
Total equity		**147,802,804**	**101,783,038**	**50,319,144**	**18,657,593**
Non-current liabilities					
Finance lease liability	21	-	162,257	-	-
Long term loans	19	2,239,629	4,002,749	-	-
Deferred tax liability	4.3	6,368,351	8,586,951	302,878	280,497
		8,607,980	12,751,957	302,878	280,497
Current liabilities					
Trade and other payables	22	14,143,325	20,274,082	-	-
Bank borrowings	20	11,743,272	31,702,278	-	-
Finance lease liability	21	-	386,028	-	-
Current tax payable		1,103,759	1,922,174	-	-
Provisions	22.1	3,575,974	1,492,312	-	-
		30,566,330	55,776,874	-	-
Total liabilities		**39,174,310**	**68,528,831**	**302,878**	**280,497**
Total equity and liabilities		**186,977,114**	**170,311,869**	**50,622,021**	**18,938,090**

J P Rooney — 10 June 2015

M Nzwere — 10 June 2015

FOR THE YEAR ENDED 31 MARCH 2015

	Note	Group 2015 US$	Group 2014 US$	Company 2015 US$	Company 2014 US$
Operating activities					
Profit before tax from continuing operations		16,198,076	15,921,750	4,579,710	1,391,883
Loss before tax from discontinued operations		(350,502)	(363,854)	-	-
Profit before tax		15,847,574	15,557,896	4,579,710	1,391,883
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation		3,253,637	3,958,352	-	-
Share based payments expense		98,920	98,920	98,920	98,920
Profit on disposal of property plant and equipment		(130,107)	(148,812)	-	-
Gain on disposal of subsidiaries		(2,589,868)	-	(4,764,556)	-
Share of loss from associate		124,529	-	-	-
Allowances for credit losses		537,478	(461,760)	-	-
Unrealised exchange gains		(2,926,357)	(1,615,454)	-	-
Provisions		(411,232)	304,068	-	-
Fair value adjustment of investment property		37,480	(9,966)	-	-
Finance income		(2,878,620)	(4,912,611)	(27,200)	-
Finance cost		3,489,284	7,948,152	-	-
Net cash flows before working capital changes		**14,452,718**	**20,718,785**	**(113,126)**	**1,490,803**
Working capital adjustments:					
Decrease in inventories		12,085,096	10,466,414	-	-
Decrease/ (increase) in trade and other receivables		1,348,766	(9,158,955)	(7,215,843)	(3,877,372)
Decrease/ (increase) in seed grower advances		908,274	(4,767,246)	-	-
(Increase)/ decrease in prepayments		(4,452,517)	3,309,341	-	-
Decrease in trade and other payables		(2,157,904)	(761,335)	-	-
Cash generated from/(used in) operations		22,184,433	19,807,004	(7,328,969)	(2,386,569)
Income tax paid		(4,948,215)	(4,267,539)	(265,000)	(307,316)
Net cash flows from operating activities		**17,236,218**	**15,539,465**	**(7,593,969)**	**(2,693,885)**
Investing activities					
Proceeds from sale of property, plant and equipment		240,790	387,143	-	-
Purchase of property, plant and equipment		(8,544,904)	(8,972,676)	-	-
Purchase of other non-current financial assets		-	(739,372)	-	-
Sale of a subsidiary net of cash disposed of	30	4,911,611	-	4,911,611	-
Decrease/ (increase) in biological assets		158,861	(356,628)	-	-
Increase in investment in existing subsidiaries		-	-	(24,587,945)	(10,386,650)
Interest received		778,620	171,994	-	-
Net cash flows used in investing activities		**(2,455,022)**	**(9,509,539)**	**(19,676,334)**	(10,386,650)
Financing activities					
Proceeds from issue of share capital		27,270,303	13,080,535	27,270,303	13,080,535
Short term loan repaid		-	(32,595)	-	-
Long term loan received		-	2,813,265	-	-
Long term loan repaid		(1,763,120)	-	-	-
Finance lease liabilities repaid		(548,285)	(669,201)	-	-
Interest paid		(3,489,284)	(7,948,152)	-	-
Net cash flows generated from financing activities		**21,469,614**	**7,243,852**	**27,270,303**	13,080,535
Net increase in cash and cash equivalents		36,250,810	13,273,778	-	-
Effects of exchange rate changes on cash and cash equivalents		(62,922)	20,100	-	-
Cash and cash equivalents at beginning of year		(27,675,664)	(40,969,542)	-	-
Cash and cash equivalents at end of year	16	**8,512,224**	**(27,675,664)**	**-**	**-**

FOR THE PERIOD ENDED 31 MARCH 2015

	Attributable to owners of the parent						
	Share capital (note 17)	Non-distributable reserves (note 18)	Retained earnings	Changes of ownership Reserve	Total	Non-controlling interest	Total equity
	US$	US$	US$		US$	US$	US$
As at 31 March 2013	194,373	5,963,885	77,283,760	190,277	**83,632,295**	(90,995)	**83,541,300**
Profit for the year	-	-	11,795,957	-	**11,795,957**	37,474	**11,833,431**
Other comprehensive income	-	(6,725,611)	-	-	**(6,725,611)**	(23,155)	**(6,748,766)**
Total comprehensive income	-	(6,725,611)	11,795,957	-	**5,070,346**	14,319	**5,084,665**
Issue of share capital	10,273	12,764,262	-	-	**12,774,535**	-	**12,774,535**
Realisation of revaluation reserve on disposal	-	(40,827)	40,827	-	**-**	-	**-**
Share options exercised	1,652	304,348	-	-	**306,000**	-	**306,000**
Realisation of revaluation reserve through use	-	(236,421)	236,421	-	**-**	-	**-**
Share based payments	-	76,538	-	-	**76,538**	-	**76,538**
As at 31 March 2014	206,298	12,106,174	89,356,965	190,277	**101,859,714**	(76,676)	**101,783,038**
Profit for the year	-	-	15,240,587	-	**15,240,587**	(230,846)	**15,009,741**
Other comprehensive income	-	3,355,662	-	-	**3,355,662**	-	**3,355,662**
Total comprehensive income	-	3,355,662	15,240,587	-	**18,596,249**	(230,846)	**18,365,403**
Issue of share capital	27,389	26,572,557	-	-	**26,599,946**	-	**26,599,946**
Realisation of revaluation reserve on disposal	-	(1,375,680)	1,375,680	-	**-**	-	**-**
Share options exercised	762	669,595	-	-	**670,357**	-	**670,357**
Realisation of revaluation reserve through use	-	(195,981)	195,981	-	-	-	**-**
Derecognition of non-controling interest	-	-	-	-	-	307,522	**307,522**
Share based payments	-	76,538	-	-	**76,538**	-	**76,538**
As at 31 March 2015	234,449	41,208,865	106,169,213	190,277	**147,802,804**	-	**147,802,804**

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2015

	Share capital (note 17)	Non-distributable reserves (note 18)	Retained earnings	Total
	US$	US$	US$	**US$**
As at 31 March 2013	194,373	4,277,696	(56,116)	**4,415,953**
Profit for the year	-	-	1,084,567	**1,084,567**
Total comprehensive income	-	-	1,084,567	**1,084,567**
Issue of share capital	10,273	12,764,262	-	**12,774,535**
Share options exercised	1,652	304,348	-	**306,000**
Share based payments	-	76,538	-	**76,538**
As at 31 March 2014	206,298	17,422,844	1,028,451	**18,657,593**
Profit for the period	-	-	4,314,710	**4,314,710**
Total comprehensive income	-	-	4,314,710	**4,314,710**
Issue of share capital	27,389	26,572,557	-	**26,599,946**
Share based payment	-	76,538	-	**76,538**
Share options exercised	762	669,595	-	**670,357**
As at 31 March 2015	234,449	44,741,534	5,343,161	**50,319,144**

1. Corporate Information
Seed Co Limited is a company which is incorporated and domiciled in Zimbabwe and is listed on the Zimbabwe Stock exchange, acts as a holding company for a group of companies domiciled in Botswana, Kenya, Malawi, Tanzania, Zambia and Zimbabwe whose principal activities are the processing of agricultural seed on a commercial basis.

The consolidated financial statements of Seed Co Limited for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors on 24 June 2015.

2. Accounting policies
The financial statements are based on the statutory records that are maintained on the historical cost convention, except for property, plant and equipment, financial assets and investment property at fair value through profit and loss which are measured at fair value.

2.1. Basis of preparation and consolidation
The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), promulgated by the International Accounting Standards Board (IASB).The consolidated financial statements comprise the financial statements of Seed Co Limited and its subsidiaries as at 31 March 2015. Subsidiaries are fully consolidated from the date of acquisition, being the date that the Group obtains control and continue to be consolidated until the date that such control ceases. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

• Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
• Exposure, or rights, to variable returns from its involvement with the investee, and
• The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

• The contractual arrangement with the other vote holders of the investee
• Rights arising from other contractual arrangements
• The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non – controlling interest.
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting policies and disclosures
The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments to standards that became effective for the Group in the current year did not have an effect on the Group's financial statements.

2.3 Standards and interpretations in issue not yet effective.
Standards issued but not yet effective up to the date of issuance of the consolidated financial statements are listed below.
This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments – classification and measurement
On 24 July 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9-Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The classification and measurement requirements address specific application issues arising in IFRS 9 (2009) that were raised by preparers, mainly from the financial services industry. The expected credit loss model addresses concerns expressed following the financial crisis that entities recorded losses too late under IAS 39.
IFRS 9 stipulates that financial assets are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Apart from the 'own credit risk' requirements, classification and measurement of financial liabilities is unchanged from existing requirements. IFRS 9 is applicable for annual periods beginning on or after 1 January 2018, but early adoption is permitted. The Group is currently assessing the impact of IFRS 9.

IFRS 15- Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers, replaces all existing IFRS revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

The standard is effective for annual periods beginning on or after 1 January 2017, but early adoption is permitted. The Group is still assessing the impact of the standard on its contracts with customers.

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The IASB issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets prohibiting the use of revenue-based depreciation methods for fixed assets and limiting the use of revenue-based amortisation methods for intangible assets. The amendments are effective prospectively. The amendment becomes effective for annual periods beginning on or after 1 January 2016 and will not have any impact on the Group as depreciation is not based on revenue methods.

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3 Business Combinations, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments are effective for annual periods beginning on or after 1 January 2016 and must be applied prospectively. The amendments are not expected to affect the Group as no such sale or contribution of assets is expected.

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11

The amendments require an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles in IFRS 3, and other IFRSs, that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRSs in relation to business combinations.

The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. Furthermore, the amendments clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business; previously held interests in the joint operation must not be remeasured if the joint operator retains joint control.

The amendments are applied prospectively and are effective for annual periods beginning on or after 1 January 2016. The Group will consider the amendments when it enters into transactions where the amendments are applicable.

Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10.

The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are not expected to affect the Group as no Companies within the Group meet the definition of an investment entity.

Agriculture: Bearer Plants –Amendments to IAS 16 and IAS 41

The amendments to IAS 16 and IAS 41 Agriculture change the scope of IAS 16 to include biological assets that meet the definition of bearer plants (e.g., fruit trees). Agricultural produce growing on bearer plants (e.g., fruit growing on a tree) will remain within the scope of IAS 41. As a result of the amendments, bearer plants will be subject to all the recognition and measurement requirements in IAS 16 including the choice between the cost model and revaluation model for subsequent measurement. In addition, government grants relating to bearer plants will be accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, instead of IAS 41.

The amendment is effective for annual periods beginning on or after 1 January 2013 and is not expected to affect the Group as its biological assets do not meet the definition of bearer biological assets.

IAS 19 Defined Benefit Plans: Employee Contributions — Amendments to IAS 19

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit.

The amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

Examples of such contributions include those that are a fixed percentage of the employee's salary, a fixed amount of contributions throughout the service period, or contributions that depend on the employee's age.

The amendment is effective for annual periods beginning on or after 1 July 2014 and are not expected to affect the Group as it does not have defined benefit schemes.

IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27

Amendments to IAS 27 Separate Financial Statements allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either:

• At cost

• In accordance with IAS 39

Or

• Using the equity method

The entity must apply the same accounting for each category of investments.

The amendments must be applied retrospectively and are effective for year ends beginning on or after 1 January 2016. The parent entity will consider the amendment when it becomes effective.

IAS 1 Disclosure Initiative – Amendments to IAS 1

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements.

The amendments clarify

• The materiality requirements in IAS 1

• That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated.

• That entities have flexibility as to the order in which they present the notes to financial statements

• That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income.

The amendments are effective for annual periods beginning on or after 1 January 2016 and early application is encouraged.

Improvements to existing standards

2010- 2012 annual cycle of improvements (issued December 2013)

In December 2013, the IASB issued two cycles of Annual Improvements to IFRSs that contain changes to 9 standards. The changes are effective from 1 July 2014 either prospectively or retrospectively. A summary of each amendment is described below:

IFRS 2 Share based payment (Amendments to definitions relating to vesting conditions)

Performance conditions and service conditions are defined in order to clarify various issues. The issues relate to performance conditions which must contain a service condition and a performance target which must be met while the counterparty renders service. The amendment also clarifies that a performance target may relate to the operations of an entity or to those of an entity in the same group. The amendment is not expected to have a material impact on the Group financial statements.

IFRS 3 Business Combinations - Scope for joint ventures

The amendment clarifies that joint arrangements are outside the scope of IFRS 3, not just joint ventures, and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. Amendment is not expected to affect the Group as it currently does not have joint arrangements.

IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination

Contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IAS 39 Financial Instruments recognition and measurement. The amendment will not affect the Group as it does not have any contingent consideration paid or payable under business combinations.

IFRS 8 Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segment assets to the entity's total assets.

Aggregation of operating segments

Operating segments may be combined/ aggregated if they are consistent with the core principle of the standard, if the segments have similar economic characteristics and if they are similar in other qualitative respects. If they are combined, the entity must disclose the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The Group wil consider the amendment when it becomes effective and provide the necessary disclosures.

Reconciliation of the total of the reportable segment assets to the entity's total assets

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment will not have a material impact on the Group financial statements as the Group is currently providing the reconciliation.

IFRS 13 Fair value measurement - Portfolio exception
The amendment clarifies that the portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is not expected to affect the Group as it does not have financial assets, financial liabilities and other contracts that meet this criteria.

IAS 16 Property, plant and equipment and IAS 38 Impairment - Revaluation method-proportionate restatement of accumulated depreciation
The amendment clarifies that revaluation can be performed by adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value The amendment also clarified that accumulated depreciation/ amortisation is the difference between the gross carrying amount and the carrying amount of the asset (i.e., gross carrying amount –accumulated depreciation/amortisation = carrying amount).

The amendment to IAS 16.35(b) and IAS 38.80(b) clarifies that the accumulated depreciation/amortisation is eliminated so that the gross carrying amount and carrying amount equal the market value. The Group revalue its land and buildings and will consider the amendment when it becomes effective.

IAS 24 Related party disclosures - Key management personnel
The amendment clarifies that a management entity – an entity that provides key management personnel services – is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. Amendment will not affect the Group as it has no management entity providing key management services to the Group.

IAS 40 Investment property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying investment property or owner occupied property - Amendment to IAS 40
The description of ancillary services in IAS 40 differentiates between investment property and owner occupied property. IFRS 3 is used to determine if the transaction is the purchase of an asset or a business combination. The Group will consider the amendment when it enters into transactions (after the effective date of the amendment) where the amendment is applicable.

2012 – 2014 Annual improvement cycle (issued September 2014)
In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2014 Cycle, which contains five amendments to four standards, excluding consequential amendments. The amendments are effective for annual periods beginning on or after 1 January 2016. Below is a list of those amendments.

IFRS 7 – Servicing Contracts
Paragraphs 42A - H of IFRS 7 require an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The Board was asked whether servicing contracts constitute continuing involvement for the purposes of applying these disclosure requirements. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

The Group will consider the amendment, where applicable, when it becomes effective.

IFRS 7 – Applicability of the offsetting disclosures to condensed interim financial statements.
In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment, paragraph 44R of IFRS 7 states that “[A]n entity shall apply those amendments for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods.

The interim disclosure standard, IAS 34, does not reflect this requirement, however, and it is not clear whether those disclosures are required in the condensed interim financial report.

The amendment removes the phrase ’and interim periods within those annual periods’ from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose ‘an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period’. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity’s condensed interim financial report.

The Group will consider the amendments in preparing its interim financial statements when they become effective.

IAS 34 Disclosure of information ‘elsewhere in the interim financial report
IAS 34 requires entities to disclose information in the notes to the interim financial statements ‘if not disclosed elsewhere in the interim financial report’. However, it is unclear what the Board means by ‘elsewhere in the interim financial report’.

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The Group will consider the amendment, when it becomes effective, when preparing its interim financial report.

IAS 19 – Discount rate Regional market rates

IAS 19 requires an entity to recognise a post-employment benefit obligation for its defined benefit plans. This obligation must be discounted using market rates on high quality corporate bonds or using government bond rates if a deep market for high quality corporate bonds does not exist. Some entities thought that the assessment of a deep market was based at a country level (e.g., Greece) while others thought it was based at a currency level (e.g., the euro).

The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

The amendment must be applied for annual periods beginning on or after 1 January 2016, with earlier application permitted. The amendment will not affect the Group as the Group does not have defined benefit pension schemes.

IFRS 5 – Changes in methods of disposal

Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.

The amendment must be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

The Group will consider the amendment, if applicable, when they become effective.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts, assets, liabilities, income and expenses. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgment, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments - group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evalua tion of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key resources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. No changes to the useful lives have been considered necessary during the year. Residual values will be assessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value. Refer accounting policy 2.5 (d) for the useful lives of property, plant and equipment.

ii. Revaluation of property, plant and equipment and investment property

In assessing the carrying amounts of property, plant and equipment management has considered the condition of the assets and their life span on an item by item basis in determining fair market values. The following methods and assumptions were adopted by the professional valuer:

Land: Active market by reference to recent property transactions of similar properties.

Office space and industrial: a level of subjectivity has been applied in determining market values owing to a lack of market evidence arising from a relatively inactive market.

Plant and equipment: by reference to observable prices in active markets or recent market transactions on arm's length terms. In the absence of market based evidence of fair value because of specialised nature of an item, lack of recent transactions, item rarely sold or inactive market, a fair value was estimated using depreciated replacement cost approach.

Investment property: The Group measures investment property at fair value with changes in fair value being recognised in the income statement. The Group's directors, with guidance from independent professional valuers, determined fair value as at 31 March 2015, with reference to market transaction prices of similar properties, adjusted for any differences in location and condition. Refer note 6 and note 7 for the carrying amount of property, plant and equipment and investment property and more information on the estimates and assumptions used to determine fair value.

iii. Share based payments

The Group measures the cost of equity-settled transactions with employees by references to the fair value of equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate inputs to the valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The value of the share options granted is determined using the Black Scholes model. Refer note 17.3 for more informationon share based payments.

iv. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile. As the Group assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 4.3 for more information on deffered tax assets.

2.5 Summary of Significant Accounting Policies

Business Combinations and Goodwill

a) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date, fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisitions date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquires is remeasured to fair value as at acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group will be recognised at the fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in the profit or loss as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost, being the excess of the consideration transferred and the amount recognised for non-controlling interest over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of the cash-generating unit and part of the operation within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on relative values of the disposed operation and the portion of cash generating unit retained.

Investment in subsidiaries in the company financial statements are measured at cost.

b) Foreign currency translation

The consolidated financial statements are presented in United States Dollars which is also the parent company's presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

i. Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

ii. Group Companies

The assets and liabilities of foreign operations are translated to US$ at exchange rates prevailing at the reporting date and their income statements are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement. Any goodwill arising on the acquisition of a foreign operation and any fair adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at closing rate.

c) Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted. by the reporting date. in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in the income statement.

Deferred Tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences. except:

• Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination. and. at the time of the transaction. affects neither the accounting profit or taxable profit or loss and
•In respect of taxable temporary differences associated with investment in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses to the extend that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

•Where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and;

•In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognisable deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income tax relates to the same taxable entity and the same taxation authority.

Value Added Tax (VAT)

Revenues and expenses are recognised net of the amount of VAT. When the VAT incurred on a purchase of assets or services is not recover able from the tax authority, the VAT is recognised as part of the cost of acquisition of the expense item, as applicable. Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from or payable to the taxation authorities is included as part of receivables or payables in the statement of financial position.

d) Property, plant and equipment

Property, plant and equipment is stated at valuation net of accumulated depreciation and impairment losses if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Items of property, plant and equipment are revalued by external independent valuers at least once every five years or earlier if it becomes apparent that their carrying amounts no longer reflect the fair value of such assets. At each financial year end where professional valuers are not involved, property, plant and equipment items are revalued by directors to restate these items to fair values.
Depreciation is not provided on freehold land and capital projects under development. Other property, plant and equipment are depreciated over their expected useful lives on a straight-lined basis at the following annual rates:

Freehold and leasehold properties	40-60years
Motor vehicles	5-7years
Plant and machinery	5-10years
Office furniture and equipment	5-10years

The carrying amounts are reviewed at each reporting date to assess whether they are fairly stated. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount. The asset's residual value and useful life are reviewed and adjusted if appropriate at each financial year end. Depreciation is not charged when the carrying amount of an item of property, plant and equipment becomes equal or less than the residual value.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Revaluation surplus of property, plant and equipment

Increase in the carrying amount arising from revaluation is recognised in other comprehensive income and accumulated in equity in the revaluation reserve except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. Decreases that offset previous increases on the same assets are charged in other comprehensive income and set off against the revaluation reserve. All other decreases are charged to the income statement. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

e) Investment properties

i. Recognition criteria

Investment property, which is property held to earn rental income and or for capital appreciation is measured initially at its cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that the cost is incurred if the recognition criteria are met but excludes the costs of day to day servicing of an investment property.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at reporting date. Gains or losses arising from changes in fair value of investment property are included in the income statement in the period in which they arise.

Fair value is determined by professional valuers at each reporting date on the basis of open market value which is the amount the property could be exchanged between knowledgeable, willing parties on an arms length basis.

ii. Transfers to and from investment properties

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If the owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

iii. Derecognition

Investment property is derecognised when either it has been disposed or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

f) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Parent and commercial seed - actual cost

Stores and consumables - on the purchase cost on a first-in-first out basis

Growing crops at Research stations are not brought to account as all expenditure relating thereto is of a research nature and is written off to the income statement when incurred.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

g) Biological assets

Fair values could not be measured reliably as market determined prices or values are not available. As a results biological assets have been measured at cost less any accumulated depreciation and any accumulated impairment losses.

h) Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, and value added tax or duty. Intra Group revenue which arises in the normal course of business is excluded from revenue. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income

Revenue is recognised as interest accrues using the effective interest rate (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset).

Rental income
Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

i) Research and development
Costs relating to research and development of new seed products are written off as incurred.

i) Share based payment transactions
Share options issued to employees are fair valued at the date of grant, and their fair value is recorded as an expense, with a corresponding amount being recognised in equity over the period in which options are expected to vest. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

The value of the share options granted is determined using the Black Scholes-model. For options that are forfeited or expired, the value recorded in the non-distributable reserve is transferred to distributable reserves.

j) Retirement benefits
Retirement benefits in Zimbabwe are provided for Group employees through a self administered defined contribution fund and the National Social Security Authority. The cost of retirement benefits for the defined contribution fund is determined by the amount of the contribution.

The cost of retirement benefits applicable to the National Social Security Authority is determined by the systematic recognition of legislated contributions. The cost of all retirement benefits is expensed in the income statement. Employees in the region are members of pension funds in their respective countries.

k) Cash and cash equivalents
Cash and cash equivalents consist of cash at banks and on hand and short term deposits with an original maturity of three months or less. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand and deposits in banks, net of bank overdrafts and short term borrowings.

l) Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Group as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.
Finance charges are reflected in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

Group as a lessor
Leases where the Group does not transfer substantially all the risks and benefits of the ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a results of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effects of the time value of money is material, provisions are discounted using the current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

n) Financial Instruments
The Group's financial instruments are classified into the following categories:
- Held to maturity investments
- Loans and Receivables
- Loans and Borrowings

Classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition. The Group does not hold or issue derivative financial instruments.

i) Financial assets

Recognition and measurement
Financial instruments are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs, that are attributable to the acquisition of the financial asset. Subsequent to initial recognition these instruments are measured as set out below.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs.

Loans and receivables
Trade receivables, prepayments, input scheme receivables, loans and other receivables are measured at fair value on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method less impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate computed at initial recognition.

Impairment of financial assets
The Group assess at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment (an incurred loss event) and that the loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate (EIR).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occuring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to other income in the income statement.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when:

•The Rights to receive cash flows from the asset have expired

•The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

ii) Financial liabilities
All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.The Group's financial liabilities include trade and other payables, loans and borrowings, bank overdrafts and finance lease liabilities. Subsequent measurement to initial recognition these instruments are measured as set out below:

Loans and borrowings
All loans and borrowings are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Trade and other payables
Trade and other payables are stated at cost adjusted for payments made to reflect the value of the anticipated economic outflow of resources.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liabilty are substantially modified, such an exchange or modification is treated as the derecogntion of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the income statement.

iii) Offsetting of financial instruments
If a legally enforceable right exists to set-off recognised amounts of financial assets and liabilities and the Group intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously, the relevant financial assets and liabilities are offset.

o) Fair value measurement
The Group measures non-financial assets such as property, at fair value at reporting date.
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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous must be accessible to the Group.

The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their best interest.

The fair value measurement of a non-financial asset takes place into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If there is any such indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined. The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use. If the recoverable amount of an asset is less than the carrying amount, the asset is reduced to its recoverable amount. That reduction is an impairment loss. The reversal of an impairment loss of assets carried at costs less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss on a revalued asset is treated as a revaluation increase. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Goodwill

Goodwill is tested for impairment annually (as at 31 March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

q) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current assets.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

r) Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the sale will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

For more details on the discontinued operation, refer to Note 30.

		Group	
		2015 US$	2014 US$
3	**OPERATING PROFIT**		
	Operating profit is arrived at after taking into account:		
3.1	Depreciation of property, plant and equipment		
	- freehold and lease properties	395,055	821,018
	- plant and machinery	1,340,392	1,669,283
	- motor vehicles	1,209,247	1,212,300
	- office furniture and equipment	308,943	255,750
		3,253,637	**3,958,351**
3.2	**Other income**		
	Commissions received	13,926	121,613
	Profit on sale of property, plant and equipment	130,107	148,812
	Unrealised exchange gains	2,926,357	1,615,454
	Realised exchange gain	1,118	97,797
	Rental income arising on rental-earning investment properties	55,951	36,746
	Sweepings and non-seed income	1,229,644	1,632,615
	Change in fair value of investment properties (Note 7)	(37,480)	9,966
		4,319,623	**3,663,003**
		Company	
	Other income		
	Dividends received	-	1,558,806
	Profit on disposal of investment in subsidiaries	4,764,556	-
		4,764,556	**1,558,806**
		Group	
3.3	**After charging the following:**		
	Directors' emoluments:		
	- for services as directors	170,536	235,829
	- for managerial services	719,212	594,656
	Audit fees	312,933	329,147
	Research and development costs	5,179,552	5,017,228
	Employee benefits expense:		
	- Salaries and wages	15,257,671	15,517,537
	- Social security costs	659,391	640,551
	- Pension costs - defined contribution plan	806,492	782,025
	- Medical benefits expenses	467,487	436,028
	- Share based payments	97,920	98,920
		Company	
	Administrative expenses		
	Share based payments	97,920	98,920
	Secretarial costs	113,126	68,003
		Group	
3.4	**Finance income**		
	Interest on bank deposits	701,332	171,994
	Interest on accounts receivables	2,145,418	4,630,033
		2,846,750	**4,802,027**
3.5	**Finance cost**		
	Interest on borrowings	2,829,212	6,785,462
	Interest on unpaid invoices	354,766	453,637
		3,183,978	**7,239,099**

		Group		Company	
		2015 US$	2014 US$	2015 US$	2014 US$
4.	**TAX**				
4.1	**Current income tax:**				
	Current income tax charge	3,469,064	3,567,033	-	-
	Withholding tax	-	307,316	-	307,316
	Capital gains tax	265,000	-	265,000	-
	Deferred income tax credit	(2,392,818)	(419,738)	-	-
	Income tax expense reported in the income statement	**1,341,246**	**3,454,611**	**265,000**	**307,316**
	Consolidated statement of other comprehensive income				
	Deferred tax related to items charged or credited directly to Other Comprehensive Income during the year:				
	Revaluation of property, plant and equipment	1,328,889	-	-	-
	Income tax charged directly to other comprehensive income	**1,328,889**	-	**-**	**-**
4.2	**Reconciliation of current tax charge**				
	Accounting profit before tax from continuing operations	16,198,076	15,921,750		
	Loss before tax from discontinued operations	(350,502)	(363,854)		
	Accounting profit before tax	**15,847,574**	**15,557,896**		
	Statutory tax rate + AIDS/development levy	25.75%	25.75%		
	Income tax at statutory rate	4,080,750	4,006,159		
	Effect of revenue that is exempt from tax	(308,578)	(277,631)		
	Effect of revenue that is taxed at special rates	39,250	639,484		
	Effect of expenses that are not deductible in determining taxable profit	26,238	39,582		
	Utilisation of previously unrecognised tax losses	(1,082,696)	(116,569)		
	Effect of different tax rates of subsidiaries operating in other jurisdictions	(910,305)	(566,559)		
	At the effective rate of 12% (2014: 24%)	**1,844,659**	**3,724,466**		
	Income tax expense reported in the income statement	1,341,246	3,454,611		
	Income tax attributable to a discontinued operation	(503,413)	269,855		
		1,844,659	3,724,466		

4.3 Deferred Tax

Group

Deferred tax relates to the following:

	Consolidated Statement of financial position		Consolidated income statement	
	2015 US$	2014 US$	2015 US$	2014 US$
Accelerated depreciation for tax purposes	3,945,643	8,391,748	(2,698,529)	(475,561)
Share based payment reserve	302,878	280,496	(22,381)	(22,381)
Losses available for offsetting future taxable income	-	(472,134)	328,092	78,204
Net deferred tax	**4,248,521**	**8,200,110**	**(2,392,818)**	**(419,738)**
Reflected in the statement of financial positions as follows:				
Deferred tax assets	(2,119,830)	(386,841)		
Deferred tax liability	6,368,351	8,586,951		
Deferred tax liability net	**4,248,521**	**8,200,110**		

Deferred tax assets relates to assessed losses in Seed Co International Limited, Agri Seed Co Limited (Kenya), Seed Co Malawi and Seed Co Tanzania Limited. Deferred tax assets have been recognised in respect of these losses as they will be used to offset taxable profits in future. The Directors are of the opinion that Seed Co International Limited, Agri Seed Co Limited (Kenya), Seed Co Malawi and Seed Co Tanzania Limited will make taxable profits in the immediate future.

Company

Deferred tax relates to the following:

	Company Statement of financial position	
	2015 US$	2014 US$
Share based payment reserve	302,878	280,497
Deferred tax liability	**302,878**	**280,497**

5 ORDINARY DIVIDENDS

	Group and Company	
	2015 US$	2014 US$
Proposed dividend for 2015: 1.00 cent per share (2014: nil)	2,344,485	-

Proposed dividend on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

6 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Freehold land and buildings	Plant and machinery	Motor vehicles	Office furniture and equipment	Total
Cost or valuation:					
At 31 March 2013	**44,094,829**	**16,571,581**	**8,806,801**	**2,714,739**	**72,187,950**
Additions	5,090,856	2,168,599	1,528,571	184,650	8,972,676
Disposal	-	(126,566)	(897,447)	(32,419)	(1,056,432)
Exchange adjustment	147,471	(1,034,552)	(277,089)	(157,003)	(1,321,173)
At 31 March 2014	**49,333,156**	**17,579,062**	**9,160,836**	**2,709,967**	**78,783,021**
Additions	2,352,695	3,084,071	2,610,555	497,582	8,544,904
Revaluation	12,199,356	-	-	-	12,199,355
Discontinued operation	(1,505,224)	(3,608,315)	(1,169,748)	(811,315)	(7,094,602)
Disposal	-	-	(922,815)	(12,870)	(935,685)
Exchange adjustment	(2,498,333)	(532,598)	(318,160)	(169,926)	(3,519,017)
At 31 March 2015	**59,881,650**	**16,522,220**	**9,360,668**	**2,213,438**	**87,977,976**
At 31 March 2013	**17,206,153**	**5,797,535**	**4,965,241**	**1,098,798**	**29,067,727**
Depreciation charge for the year	821,019	1,669,283	1,212,300	255,750	3,958,352
Exchange adjustment	(29,996)	(290,161)	(154,945)	(76,564)	(551,666)
Disposals	-	(59,792)	(744,254)	(14,056)	(818,102)
At 31 March 2014	**17,997,176**	**7,116,865**	**5,278,342**	**1,263,928**	**31,656,311**
Depreciation charge for the year	395,055	1,340,392	1,209,247	308,943	3,253,637
Exchange adjustment	(45,800)	(457,788)	(191,977)	(98,749)	(794,314)
Disposals	-	-	(817,792)	(7,110)	(824,902)
Discontinued operation	(232,993)	(2,741,022)	(623,402)	(73,179)	(3,670,596)
At 31 March 2015	**18,113,438**	**5,258,447**	**4,854,418**	**1,393,833**	**29,620,136**
Net book value					
At 31 March 2015	41,768,212	11,263,773	4,560,250	819,605	58,357,840
At 31 March 2014	31,335,980	10,462,197	3,882,494	1,446,039	47,126,710

If property, plant and equipment were measured using the cost model, the carrying amount would be as follows:

	2015 US$	2014 US$
Freehold land and buildings	14,632,575	12,179,880
Plant and machinery	7,033,768	3,749,697
Motor vehicles	4,560,249	3,882,494
Office furniture and equipment	819,606	1,446,039
	27,046,198	**21,258,110**

Reconciliation of opening and closing carrying amounts

	GROUP	
	2015 US$	2014 US$
Net carrying amount at 1 April	47,126,710	43,120,223
Cost	78,783,021	72,187,950
Accumulated depreciation and impairment	(31,656,311)	(29,067,727)
Movement for the year:		
Additions	8,544,904	8,972,676
Net carrying amount of disposals	(110,783)	(238,329)
Revaluation	12,199,356	-
Depreciation charge for the year	(3,253,637)	(3,958,352)
Net exchange adjustment	(2,724,702)	(769,505)
Discontinued operations	(3,424,006)	-
Net carrying amount at 31 March	58,357,840	47,126,710
Cost	87,977,976	78,783,021
Accumulated depreciation and impairment	(29,620,135)	(31,656,311)

As at 31 March 2015, the directors assessed the carrying amounts of all property, plant and equipment. They are of the opinion that no impairment write down is necessary. In 2014, there were no impairment on property, plant and equipment.

Borrowing cost of $1,146,061(2014: $874,533) were capitalised during the year on the qualifying expenditure. The interest capitalised was computed using the specific interest rate on borrowings of 38%. The cost also include charges incurred in raising the borrowings for capital projects.

Fair value disclosures

Fair value of property was determined using market comparable methods. In determining the fair value of land and buildings, the directors considered the highest and best use of the land and buildings. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property, plant and equipment item.

Significant increases/(decreases) in estimated price per square metre in isolation would result in significantly higher (lower) fair values for the Properties.

Signficant unobservable inputs

Property	2015	2014
Price per square metre	US$ 400-US$ 1,900	US$ 400-US$ 1,250
Rentals per square metre	US$10-US$12	US$10-US$12
Prime yield	9%-11%	10%-11%

Fair value of plant and equipment was determined using the depreciated replacement cost. This involved estimating the cost of purchasing a plant and equipment item and depreciating it over the years in use. As at the date of revaluation 31 March 2010, the property, plant and equipment's fair values were based on valuations performed by CB Richard Ellis, an accredited independent valuer. As at 31 March 2015, the directors assessed the values of the plant and equipment and the carrying amounts approximated the fair values.

Signficant unobservable data	**2015**	**2014**
Plant and equipment		
Estimated remaining life (ERL)	1-10years	1-10years

Other unobservable inputs
- Adjustment for obsolescence
- Cost of replacing the asset

Fair value hierarchy
31 March 2015

	Level 1 USD	Level 2 USD	Level 3 USD	**Total** **USD**
Commercial Properties	-	-	41,768,212	**41,768,212**
Plant and machinery	-	-	11,263,773	**11,263,773**
Motor vehicles	-	-	4,560,249	**4,560,249**
Furniture and equipment	-	-	819,606	**819,606**

31 March 2014	Level 1 USD	Level 2 USD	Level 3 USD	**Total** **USD**
Commercial Properties	-	-	31,335,980	**31,335,980**
Plant and machinery	-	-	10,462,197	**10,462,197**
Motor vehicles	-	-	3,882,494	**3,882,494**
Furniture and equipment	-	-	1,446,039	**1,446,039**

There were no transfers between Levels 1, 2 and 3 during the year.

7 INVESTMENT PROPERTIES

	GROUP	
	2015 **US$**	**2014** **US$**
Balance at beginning of year	342,200	332,234
Fair value adjustment	(37,480)	9,966
Balance at the end of year	**304,720**	**342,200**

The Group's investment properties consist of one commercial property in Botswana. Management determined that the investment property consist of one class of asset, being office − based on the nature, characteristics and risks of the property.

Investment properties have been stated at fair value, which has been determined based on valuations performed by an accredited independent valuer, as at 31 March 2015 and 31 March 2014. The valuer is an industry specialist in valuing these types of investment properties. The fair value of the properties has not been determined on transactions observable in the market because of the nature of the property and lack of comparable data. Instead, the valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied which was the DCF method.

	GROUP	
	2015 **US$**	**2014** **US$**
Rental income derived from investment properties	36,746	36,746
Direct operating expenses (including repairs and maintenance) generating rental income	(6,345)	(5,412)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	-	-
Profit arising from investment properties carried at fair value	**30,401**	**31,334**

7 INVESTMENT PROPERTIES (continued)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Below is the fair value hierarchy disclosures for investment properties.

Fair value hierarchy
31 March 2015

Commercial Properties	Level 1 USD	Level 2 USD	Level 3 USD	**Total USD**
	-	-	304,720	304,720

31 March 2014

Commercial Properties	Level 1 USD	Level 2 USD	Level 3 USD	**Total USD**
	-	-	342,200	342,200

There were no transfers between Levels 1, 2 and 3 during the year.

Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation technique	**Significant unobservable inputs**		**Range (weighted average)**
Commercial Properties	DCF method (refer below)	(i)	Estimated rental value per sqm per month	\$15 - \$20 (\$17.5)
		(ii)	Rent growth p.a.	1.05%
		(iii)	Long-term vacancy rate	2% - 5% (3%)
		(iv)	Discount rate	5%

The quantitative information about the significant unobservable inputs did not change from prior year.

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.
The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.
Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties.
Significant increases (decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.
Generally, a change in the assumption made for the estimated rental value is accompanied by:

- A directionally similar change in the rent growth per annum and discount rate (and exit yield)
- An opposite change in the long term vacancy rate

8 FINANCIAL ASSETS

	GROUP	
	2015 US\$	**2014 US\$**
Held-to-maturity investments		
- ZB Bank	821,653	1,079,901
- Treasury bills	23,864,091	-
Total	**24,685,744**	**1,079,901**

The ZB Bank investment attracts interest at 8% per annum and matures in 10 years time. Treasury bills attracts interests at 5% per annum and matures in 5 years time. The treasury bills were received as a settlement for amounts owed by Government.

	Group 2015 US$	Group 2014 US$

9 INVESTMENT IN ASSOCIATES

9.1 Reconciliation of movements in associates

	2015 US$	2014 US$
Balance at the beginning of the year	-	-
Fair value of investment retained	3,666,209	-
Equity accounted loss	(124,529)	-
Balance at the end of the year	**3,541,680**	**-**

9.2 Quton Zimbabwe (Private) Limited

The Group holds a 40% interest in Quton Zimbabwe (Private) Limited. Quton Zimbabwe (Private) Limited is involved in the processing of cotton seed on a commercial basis. Quton Zimbabwe was a 100% owned subsidiary and the Group disposed 60% in the current year.

Reconciliation of the investment in associate	2015 US$	2014 US$
Balance at the beginning of the year	-	-
Fair value of investment retained	3,407,449	-
Equity accounted loss	(124,529)	-
Balance at the end of the year	**3,282,920**	**-**

9.3 Quton Malawi (Private) Limited

The Group holds a 40% interest in Quton Malawi (Private) Limited. Quton Malawi (Private) Limited is involved in the processing of cotton seed on a commercial basis.Quton Malawi was a 100% owned subsidiary and the Group disposed 60% at the end of the year. The fair value of the retained investment was assessed to be nil at the date of disposal.

Reconciliation of the investment in associate	2015 US$	2014 US$
Balance at the beginning of the year	-	-
Fair value of investment retained	-	-
Equity accounted loss	-	-
Balance at the end of the year	**-**	**-**

9.4 Quton Tanzania (Private) Limited

The Group holds a 30% interest in Quton Tanzania (Private) Limited. Quton Tanzania (Private) Limited is involved in the processing of cotton seed on a commercial basis. Quton Tanzania was a 75% owned subsidiary and the Group disposed 45% at the end of the year.

Reconciliation of the investment in associate	2015 US$	2014 US$
Balance at the beginning of the year	-	-
Fair value of investment retained	258,760	-
Equity accounted loss	-	-
Balance at the end of the year	**258,760**	**-**

9.5 Summarised financial information of associates

	Revenue USD	Loss after tax USD	Total comprehensive loss USD	Non-current assets USD	Current assets USD	Non-current liabilities USD	Current liabilities USD
Quton Zimbabwe (Private) Limited							
31 March 2015	**5,702,966**	**(621,805)**	**(621,805)**	**3,591,753**	**6,609,430**	**177,493**	**1,816,392**
31 March 2014	-	-	-	-	-	-	-
Quton Malawi (Private) Limited							
31 March 2015	**1,312,130**	**(1,203,088)**	**(1,203,088)**	**668,455**	**2,583,140**	**-**	**5,566,244**
31 March 2014	-	-	-	-	-	-	-
Quton Tanzania (Private) Limited							
31 March 2015	**1,038,628**	**(923,385)**	**(923,385)**	**1,936,224**	**3,701,375**	**218,490**	**4,556,575**
31 March 2014	-	-	-	-	-	-	-

	Company 2015 US$	Company 2014 US$
10 INVESTMENTS		
10.1 Investments in subsidiaries		
Unquoted shares at cost		
- National Seed Company of Zimbabwe Limited	240,790	240,790
- Clapham Investments (Private) Limited	102,385	102,385
- Seed Co Zambia International Limited	16	16
- Seed Co International Limited	14,170,000	170,000
- Barrow Investments Limited	3,396	3,396
- Seed Co Zimbabwe (Private) Limited	21,569,730	10,569,730
- Quton Seed Company (Private) Limited	274,703	686,758
	36,361,020	**11,773,075**
11. AMOUNTS OWED BY GROUP COMPANIES		
- Seed Co International (Private) Limited	-	4,000,000
- Seed Co Zimbabwe (Private) Limited	14,261,002	3,164,993
- Clapham Investments (Private) Limited	-	22
	14,261,002	**7,165,015**

Amounts owed by group companies are generaly on a short term basis and repayable within 3 months. They do not bear any interest.

12. GOODWILL

	Group 2015 US$	Group 2014 US$
Cost		
Balance at beginning of year	186,753	186,753
Derecognition of goodwill on disposal of subsidiary	(186,753)	-
Balance at the end of year	-	186,753

The Goodwill above relates to the Cotton Seed cash Generating unit (CGU).The Group performed its annual impairment test as at 31 March 2014. The recoverable amount of the Cotton Seed CGU was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections was 10% and cashflows beyond the five-year period were extrapolated using a 5% growth rate.

13. INVENTORIES

	Group 2015 US$	Group 2014 US$
Parent and commercial seed	15,734,079	27,660,257
Spares and general consumables	3,706,064	4,132,783
Goods in transit	1,042,690	774,889
Total of inventories at lower of cost and net realisable value	**20,482,833**	**32,567,929**

The amount of write down of inventories recognised as an expense is US$2,322,154 (2014 : US$1,421,938) which is recognised in cost of sales. Inventories amounting to US$4,500,000 (2014 : US$4,500,000) have been ceded as security for borrowing facilities. Refer to note 20.2.

14. BIOLOGICAL ASSETS

	Group 2015 US$	Group 2014 US$
Crops		
Cost		
Balance at beginning of year	976,823	620,195
Increases due to new plantings	817,961	976,823
Harvested plants transferred to inventories	(976,823)	(620,195)
Balance at the end of year	**817,961**	**976,823**
Current (due for sale/disposal within 12 months)	817,961	976,823

The Group's biological assets comprise of plants not yet harvested that are used to produce parent seeds. The parent seeds are used to produce hybrid seeds which are sold to the market. Since there is no market for parent seeds, it is difficult to assume their selling price hence the fair value could not be reliably determined resulting in the use of cost method to measure the biological assets. The biological assets have a short life cycle of less than one year.

15. TRADE AND OTHER RECEIVABLES

	Group 2015 US$	Group 2014 US$
Trade receivables	44,314,460	75,020,642
Prepayments	6,072,403	1,665,035
Seed grower advances	6,024,147	6,932,421
	56,411,010	**83,618,098**

The carrying amounts of trade and other receivables is a reasonable approximation of their fair value at the end of the reporting period. The Group did not hold any collateral or security on its trade receivables.

Prepayments and seed grower advances relate to amounts paid or advanced for which the related goods will be received within three months.

As at 31 March the ageing analysis of trade receivables was as follows:

		Total	Neither due nor impaired	Past due but not impaired		
				< 60 days	60 days - 90 days	> 90 days
		US$	US$	US$	US$	US$
Total	2015	44,314,460	6,475,890	5,129,156	4,162,134	28,547,280
	2014	75,020,642	11,722,792	3,974,014	5,040,565	54,283,271

See note 26.4 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Included in the trade and other receivables is an allowance for credit losses of US$ 4,847,668 (2014: US$4,310,190). The movement in the credit losses is as shown below:

	Group	
	2015	2014
Movement in the allowance for credit losses	US$	US$
Balance at beginning of the year	4,310,190	4,771,950
Charge for year	1,314,890	6,509,888
Utilised for year	(777,412)	(6,971,648)
Balance at the end of the year	**4,847,668**	**4,310,190**

The Group credit policy is split into Zimbabwe and regional operations. For subsidiaries operating in Zimbabwe, the policy is strictly cash except for wholesalers who are allowed a 30 day credit period. Grower accounts are set off with deliveries. Regional credit policy is cash for individuals and 30 days for wholesalers and retailers. Special contracts are negotiable, and terms vary per contract. Interest is charged at the rate of 15% per annum on overdue accounts. Accounts receivables valued at $8,000,000 is pledged as security, refer note 20.1.

16. CASH AND CASH EQUIVALENTS

	Group	
	2015	2014
	US$	US$
Cash at bank and on hand	6,148,621	4,026,614
Short-term deposits	14,106,875	-
	20,255,496	**4,026,614**

Cash at bank earns interest at floating rates based on daily deposits rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at respective short-term deposits rates.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 March:

	Group	
	2015	2014
	US$	US$
Cash at bank and on hand	6,148,621	4,026,614
Short-term deposits	14,106,875	(31,702,278)
Bank overdrafts and short term borrowings (Note 19)	(11,743,272)	(31,702,278)
Net cash	8,512,224	(27,675,664)

	Group and Company	
	2015	2014
17 SHARE CAPITAL	Number	Number
17.1 Authorised shares		
Ordinary shares of $0,001 each	500 000 000	500 000 000
17.2 Issued and fully paid		
Balance at beginning of year	206 297 726	194 372 878
Share options exercised	761 307	1 651 800
Shares issued	27 389 433	10 273 048
Balance at the end of year	**234 448 466**	**206 297 726**

	2015 US$	2014 US$
Balance at beginning of year	206 298	194 373
Issue of share capital	28 151	11 925
Balance at the end of year	234 449	206 298

Subject to the limitations imposed by the Companies Act (Chapter 24:03) in terms of the resolution passed by the company in a general meeting, the unissued shares have been placed under the control of the Directors.

17.3 Share options

Group and Company

Senior Management Plan

Under the Senior Managemement Plan (SMP), share options of the parent are granted to senior management of the group.The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest if and when the employee completes five years of service with the organisation from the grant date. If the condition is not met, the share options do not vest.

The fair value of the share options is estimated at the grant date using the black scholes valuation model, taking into account the terms and conditions upon which the share options were granted.

The following options have been granted and are outstanding in terms of the share option scheme as at 31 March 2015.

Date of grant	Number
1 April 2012	3,333,200
1 April 2013	3,015,000
1 April 2014	100,000
	6,448,200

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2015 Number	2015 WAEP	2014 Number	2014 WAEP
At 31 March 2014	7,109,507	$0.81	5,809,307	$0.81
Options exercised	(761,307)	$0.88	(1,651,800)	$0.23
Options forfeited	-		(63,000)	$1.03
New options granted	100,000	$0.94	3,015,000	$0.81
At 31 March 2015	**6,448,200**	$0.81	**7,109,507**	$0.81
Exerciseable at 31 March 2015	**3,292,000**	$0.81	**802,507**	$0.88

The weighted average remaining contractual life for the share options outstanding as at 31 March 2015 is 3.5 years (2014: 5 years)

Unexercised options for 6,448,200 (2014 - 7,109,507) shares were held by executive directors at 31 March 2015. Employees exercised options for 761,307 (1,651,800) shares during the year. The weighted average share price as at the date of exercise was $0.94.

The following table list the inputs to the model used to value the options;

	2015	2014
-The exercise price of the option (US$)	0.81	0.81
-The market price of the option	1.03	1.01
-The expected volatility of the share price (%)	9.15	9.10
-The dividend yield (%)	-	-
-Risk free rate (%)	0.54	0.49
-The term of the option (years)	3-5	3-5
-Exit rate	-	-
-Vesting period (Years)	3-5	3-5

17.4 The following beneficial shareholding were held by directors at 31 March 2015

	Group and Company 2015	2014
P St L Devenish (resigned effective 28/02/2014)	814,265	815,189
	603,622	815,189

There has been no change in the directors' interest subsequent to the period ended 31 March 2015 to the date of this report.

17.5 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Group 2015 US$	2014 US$
Net profit attributable to ordinary equity holders of the parent for basic earnings	15,240,587	11,795,957
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**15,240,587**	**11,795,957**
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	220,373,096	200,199,402
Effect of dilution:		
Share options	891,772	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**221,264,868**	**200,199,402**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

18 NON-DISTRIBUTABLE RESERVES
Group

	Foreign currency conversion Reserve US$	Share premium US$	Share based payments reserve US$	Foreign currency translation reserve US$	Asset revaluation reserve US$	Total reserves US$
As at 31 March 2013	3,163,762	190,106	923,828	(7,857,069)	9,543,258	5,963,885
Exchange differences on translation of foreign operations	-	-	-	(6,752,350)	26,739	(6,725,611)
Realisation of revaluation reserve on disposal	-	-	-	-	(40,827)	(40,827)
Realisation of revaluation reserve through use	-	-	-	-	(236,421)	(236,421)
Issue of shares	-	12,764,262	-	-	-	12,764,262
Realisation of share based payment reserve	-	12,000	(12,000)	-	-	-
Share options exercised	-	304,348	-	-	-	304,348
Share based payment	-	-	98,920	-	-	98,920
Deferred tax on share based payment	-	-	(22,382)	-	-	(22,382)
As at March 2014	**3,163,762**	**13,270,716**	**988,366**	**(14,609,419)**	**9,292,749**	**12,106,174**
Exchange differences on translation of foreign operations	-	-	-	(7,877,780)	(27,530)	(7,905,310)
Revaluation	-	-	-	-	12,199,355	12,199,355
Deferred tax on revaluation	-	-	-	-	(1,328,889)	(1,328,889)
Realisation of revaluation reserve on disposal of subsidiary	-	-	-	-	(1,375,680)	(1,375,680)
Issue of shares	-	26,572,557	-	-	-	26,572,557
Depreciation charged against revaluation	-	-	-	-	(195,981)	(195,981)
Realisation of share option reserve	-	12,000	(12,000)	-	-	-
Reclassified of translation reserve to income statement on disposal	-	-	-	390,506	-	390,506
Share options exercised	-	669,595	-	-	-	669,595
Share based payment	-	-	98,920	-	-	98,920
Deferred tax on share based payment	-	-	(22,382)	-	-	(22,382)
Balance at the end of year	**3,163,762**	**40,524,868**	**1,052,904**	**(22,096,693)**	**18,564,024**	**41,208,865**

NON-DISTRIBUTABLE RESERVES
Company

	Foreign currency conversion Reserve US$	Share premium US$	Share based payments reserve US$	Total reserves US$
As at 31 March 2013	3,163,762	190,106	923,828	4,277,696
Share based payment	-	-	98,920	98,920
Deferred tax on share based payment	-	-	(22,382)	(22,382)
Issue of share capital	-	12,764,262	-	12,764,262
Realisation of share based payment reserve	-	12,000	(12,000)	-
Share options exercised	-	304,348	-	304,348
As at 31 March 2014	**3,163,762**	**13,270,716**	**988,366**	**17,422,844**
Share based payment	-	-	98,920	98,920
Deferred tax on share based payment	-	-	(22,382)	(22,382)
Issue of share capital	-	26,572,557	-	26,527,557
Realisation of share based payment reserve	-	12,000	(12,000)	-
Share options exercised	-	669,595	-	669,595
Balance at the end of year	**3,163,762**	**40,524,868**	**1,052,904**	**44,741,534**

Nature and purpose of reserves

Foreign currency conversion reserve
The foreign currency conversion reserve arose as a result in change in functional currency from Zimbabwean dollar to United States dollar. It represents the residual equity in existence as at the change over period and has been designated as Non-Distributable Reserve.

Share premium
Share premium arose from the redenomination of shares capital, issue of shares and from share options exercised.

Share based payments reserve
Share based payments reserve is used to recognise the value of equity-settled share based payment transactions provided to employees, including key managment personnel, as a part of their remuneration.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Asset revaluation reserve
The asset revaluation reserve is used to record increases in the fair value of property, plant and equipment and decreases to the extent that such decreases relates to an increase on the same asset previously recognised in equity.

Change in ownership reserve
This relates to the difference between the purchase price and carrying amount of non-controlling interest on acquisitions of non-controlling interests' share in subsidiary of the Group.

		Group	
19	**LONG TERM LOANS**	**2015**	**2014**
		US$	**US$**
	Secured	2,239,629	4,002,749

The long term loan is denominated in Malawian Kwacha (MK 1,725,176,199) and bears interest of 38% per annum. The loan has a 6 year tenure and expires in 2019. The principal amount is repayable in two equal tranches, the inital repayment will be done at the half of the loan tenor (2017) and the final repayment on maturity.

20 BANK OVERDRAFTS AND SHORT TERM LOANS

20.1	**Bank overdraft**	**11,743,272**	**31,702,278**

The bank overdraft bears interest of between 4.85% - 8% (2013:8%) per annum for United States denominated drawdowns and is payable by 31 August 2015. The bank overdraft is secured over inventory, accounts receivables and guarantees by Seed Co Limited.

20.2 Facilities and borrowing powers

Total facilities available to the Group	63,830,295	66,002,749
Facilities utilised at year end	(13,982,901)	(35,705,047)
Unutilised borrowing capacity	**49,847,394**	**30,297,702**

As at 31 March 2015, the banking facilities in Zimbabwe in place amounted to US$29,000,000, with maturities ranging from May 2015 to September 2015. The facilities are mainly to finance working capital, including seed purchases from farmers. The main facilities are provided by Stanbic Bank, Standard Chartered Bank, and Afrexim Bank with an all-in-cost not exceeding 10% per annum.

The long-term project finance is a loan for the building project in Malawi, with a six-year loan tenor. The loan is denominated in kwacha and the interest rate is sitting at 38% per annum.

Zambia has a General Short Term Banking Facility (GSTBF) for US$ 22,000,000 to finance it's general working capital requirements including seed purchases from seed farmers. The Zambian Kwacha GSBTF bears an interest rate of 14% and the US dollar facilities bears interest rates ranging from 5.5% to 7% per annum and they expire in August 2015.

Tanzania has a Long Term Banking Facilities amounting to US$1,000,000.00 at 9% per annum and also a Short Term Overdraft Facility of US$ 3,000,000.00 at 6% per annum. The Short Term Overdraft Facility expires in August 2015.

The Botswana Banking facility is a General Short Term Banking Facility (GSTBF) for US$7,000,000 to finance its operational expenses and to purchase sorghum seed, and financing of regional operations like Zimbabwe, Kenya, and Tanzania where the cost of funds are higher than the rate of 4.85% per annum currently obtaining in Botswana. The facility expires in August 2015.
The facility in Botswana does allow for other products such as Letters of Credit, Bank Guarantees to be issued on behalf of of the group.

The Seed Co facilties have different security arrangements that include the following:-
i. Unrestricted cession of stocks worth US$4,500,000 and accounts receivables valued at US$8,000,000.
ii. Seed Co Limited guarantees, including guarantees from Seeed Co Zambia.
iii. A charge of the stocks and debtors, with a half yearly stock report required.
iv. A charge over the building project in Malawi which is due for completion in 2015.

20.3 In terms of the Articles of Association the borrowing powers of the group are limited to the aggregate amount of monies (so borrowed) shall not, without the previous sanction of an ordinary resolution of the Company in general meeting, exceed thrice the aggregate of:-

(i) the nominal amount of the issued and paid share capital for the time being of the Company: and
(ii) the aggregate of the amounts standing to the credit of all capital and revenue reserve accounts, any share premium account and profit or loss account as set out in the latest consolidated audited Statement of Financial Position of the company and its subsidiaries which has been drawn up to be laid before the shareholders of the Company in general meeting at the relevant time.

21 FINANCE LEASE

The Group entered into commercial leases on certain motor vehicles in 2014. These leases had an average life of three years with no renewal option included in the contracts. There were no restrictions placed upon the Group by entering into these leases. The lease liability was settled in full during the year. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments for 2014 are as follows:

		2014
	Minimum payments	**Present value of payments**
	US$	**US$**
Within one year	416,910	386,028
After one year but not more than five years	175,237	162,257
More than five years	-	-
Total minimum lease payments	592,147	548,285
Less amounts representing finance charges	(43,862)	-
Present value of minimum lease payments	**548,285**	**548,285**

22 TRADE AND OTHER PAYABLES

	Group 2015 US$	2014 US$
Trade payables	5,261,847	9,073,714
Accruals and other creditors	8,881,478	11,200,368
	14,143,325	20,274,082

Terms and conditions of the the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Accruals and other creditors are non-interest bearing and have an average term of 3 months.

22.1 PROVISIONS

2015

	Bonus US$	Severance pay US$	Total US$
At the beginning of the year	1,192,036	300,276	1,492,312
Arising during the year	2,138,698	376,231	2,514,929
Utilised	(374,145)	(57,122)	(431,267)
At the end of the year	**2,956,589**	**619,385**	**3,575,974**

2014

	Bonus US$	Severance pay US$	Total US$
At the beginning of the year	1,952,763	657,419	2,610,182
Arising during the year	144,348	389,325	533,673
Utilised	(905,075)	(746,468)	(1,651,543)
At the end of the year	**1,192,036**	**300,276**	**1,492,312**

The above provisions are payroll related and are expected to be utilised in the next 12 months.

23 PENSION AND RETIREMENT SCHEMES

23.1 Seed Co Pension Scheme

The Seed Co Pension Fund is a Defined Contribution Pension Fund were the liability is only limited to the monthly contribution. The market value of the assets grew from $3,483,278 as at 1 April 2014 to $3,716,381 at year end. The fund membership increased from 156 to 158 in the same period.

In Zambia the market value grew from US$1,054,828 as at 1 April 2014 to US$1,103,794 at year end, as at 31 March 2015 and the fund membership increased from 80 to 100 in the same period.

The market value in Malawi grew from US$191,489 as at 1 April 2014 to US$404,562 as at 31 March 2015 and the fund membership increases from 37 to 39 in the same period.

23.2 National Social Security Authority Scheme (Zimbabwe)

This is a pension scheme promulgated under the National Social Security Authority Act (1989). The obligations under the scheme are limited to specific contributions legislated from time to time. These are presently 4% of the full pensionable emoluments per month for each employee.

23.3 National Social Security Authority Scheme (Zambia)

This is a defined contribution pension scheme promulgated under the National Pension Scheme Act. The obligations under the scheme are limited to specific contributions legislated from time to time. These are presently 5% employee and 10% employer of the full pensionable emoluments per month for each employee.

23.4 National Social Security Fund Scheme (Malawi)

This is a defined contribution scheme established and administered by Old Mutual Malawi.

23.5 Pension costs charged to the income statement during the year

	Group 2015 US$	2014 US$
Seed Co Pension Fund - defined contribution	806,492	782,025
National Social Security Schemes	659,391	640,551
	1,465,883	**1,422,576**

24 RELATED PARTY TRANSANCTIONS

24.1 The financial statements include the financial statements of the Group and the subsidiaries and associate listed in the following table:

Name	Country of Incorporation	% Equity interest 2015	% Equity interest 2014
Seed Co Zimbabwe (Private) Limited	Zimbabwe	100	100
Seed Co Malawi Limited	Malawi	100	100
Seed Co Zambia International Limited	Zambia	100	100
Seed Co International Limited	Botswana	100	100
Seed Co Tanzania Limited	Tanzania	100	100
Agri Seed Co Limited	Kenya	100	100
Seed Co West Africa	Nigeria	100	100
Barrow Investments (Private) Limited	Zimbabwe	100	100
Seed Co International Rwanda Limited	Rwanda	100	100
Seed Co South Africa	South Africa	100	100
Quton Seed Company (Private) Limited	Zimbabwe	40	100

24.2 The following table provide the total amount of transactions that have been entered into with related parties for the relevant financial year

		Sales to Related Parties US$	Purchases from Related Parties US$	Amount owed by Related Parties US$
Quton Seed Company (Private) Limited	2015	-	-	1,627,685
Quton Tanzania (Private) Limited	2015	-	-	735,465
Quton Malawi (Private) Limited	2015	-	-	2,898,907
Cotton Company of Zimbabwe Limited	2014	5,553,655	3,655206	1,032,752
Key management personel of the Group	2015	387,201	147,425	56,623
	2014	436,093	369,700	167,781

The ultimate parent
The reporting entity domiciled in Zimbabwe is the ultimate parent.

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made at normal business terms. Outstanding balances at year -end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2015 the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014 : US$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Company related party transactions and balances

During the year there were no dividends received from subsidiaries.

During the year, Seed Co Limited increased its shareholding in Seed Co Zimbabwe by $11,000,000 and in Seed Co International by $14,000,000
For intercompany balances refer to note 11.

24.3 Loans to related parties

		Interest Received US$	Amount owed by Related Parties US$
Directors' loans	2015	10,869	156,448
Directors' loans	2014	22,378	279,723

The loans bear interest at 5% per annum and are repayable over 5 years. The loans are unsecured.

Reconciliation of directors loans	**2015** US$	**2014** US$
Opening balance	279,753	158,625
New loans issued	-	146,691
Loan repayments	(123,275)	(25,593)
Closing balance	**156,478**	**279,723**

24.4 Key management compensation

	2015	2014
	US$	US$
Short term employee benefits	2,364,020	2,472,380
Share-based payment transaction	97,920	98,920
Post-employment pension and medical benefits	1,273,979	1,218,053

The amounts disclosed in the table are amounts recognised as an expense during the reporting period related to key management personel.

Directors' interest in the Senior Management Plan

For details on the Senior Management Plan refer to note 17.3.

25. COMMITMENTS AND CONTINGENCIES

25.1 Commitments for capital expenditure

	Group	
	2015	2014
	US$	US$
Approved by the directors but not yet contracted for - plant, equipment and vehicles	8,144,927	8,274,547
	8,144,927	8,274,547

The capital expenditure will be funded from the Group's own resources, existing overdraft and loan facilities.

25.2 Operating lease commitments

The Group rents an office under an operating lease. The lease is for a period of two years, with rentals escalating by 10% per annum. The Group does not have the option to puchase the leased premises at the end of the lease period.

	Group	
	2015	2014
	US$	US$
Minimum lease payment under operating lease recognised as an expense during the year	125,521	114,110

At the reporting date, the Group has outstanding committments under operating leases over cancellation period,which is three months notice, as follows:

	2015	2014
Not later than one year	31,463	28,603
Later than one year but not later than five years	-	-
Later than five years	-	-
	31,463	28,603

25.3 The Group as a lessor

Operating lease relates to the investment property rented out with a lease term of two years, escalating by 10% per annum, with an option to renew for a further one year at the choice of lessees'. The lease contract has clauses in the event that the lessee exercises its option to renew. The tenant does not have the option to purchase the leased asset at the expiry of the lease period. The lease currently expires in December 2015, but can also be cancelled with 2 months calender notice by either party.

	2015	2014
	US$	US$
Future minimum rentals receivable under operating lease arrangements:		
Not later than one year	17,160	15,600
Later than one year but not later than five years	-	-
Later than five years	-	-
	17,160	15,600

25.4 Contingent liabilities

There were no contigent liabilities as at 31 March 2015 and 31 March 2014.

26. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise bank loans, overdrafts, trade and other payables and finance leases. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

It is and has been through out the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks as summarised on note 26.2 to note 26.5.

26.1. Fair Value

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements.

26.2. Liquidity Risk

The Group is principally funded through locally arranged facilities in each country of operation. In Botswana the facility was at 5.5% per annum while in Zambia the US dollar overdraft loans were at 3.5% above the libor rate, while the local kwacha loans were at 17.22% per annum. In Malawi the overdraft facility was in Malawi kwacha at 20%. The Group's policy is that not more than 25% of borrowings should mature in the next 6 month period. 6 % of the Group's debt will mature in less than 6 months at 31 March 2015 (2014: 4.5%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 6 months can be rolled over with existing lenders.

Maturity profile of the Group's financial liabilities

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total US$
	US$	US$	US$	US$	
Year ended 31 March 2015					
Interest bearing loans and borrowings	-	2,348,655	10,138,357	2,799,537	15,286,549
Trade and other payables	-	6,599,986	7,543,339	-	14,143,325
	-	**8,948,641**	**17,681,696**	**2,799,537**	**29,429,874**
Year ended 31 March 2014					
Interest bearing loans and borrowings	-	2,307,016	32,344,788	5,924,069	40,575,873
Finance lease liability	-	416,910	-	175,237	592,147
Trade and other payables	-	4,325,939	13,849,303	-	18,175,242
	-	**7,049,865**	**46,194,091**	**6,099,306**	**59,343,262**

26.3. Foreign Currency risk management

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows

	Liabilities (Foreign amount) 2015	Liabilities (US$) 2015	Liabilities (Foreign amount) 2014	Liabilities (US$) 2014
ZAR	3,507,120	280,570	15,733	1,573
Tanzania Shillings	2,163,544,083	1,174,244	7,209,984,994	4,500,615
Malawi Kwacha	3,720,663,723	8,557,308	-	-
Botswana Pula	8,873,408	919,089	2,514,551	296,877
Zambian Kwacha	82,334,065	10,868,433	6,466,137	1,026,371
	Assets (Foreign amount) 2015	**Assets (Foreign amount) 2015**	**Assets (Foreign amount) 2014**	**Assets (Foreign amount) 2014**
ZAR	4,965,643	397,251	6,145,553	614,555
Tanzania Shillings	6,729,870,955	3,652,576	5,606,749,825	3,499,844
Malawi Kwacha	5,547,198,808	12,758,232	-	-
Botswana Pula	29,244,873	3,041,462	10,373,962	1,224,789
Zambian Kwacha	243,488,563	32,111,912	34,761,405	5,517,683
	Net Exposure (Foreign amount) 2015	**Net Exposure (Foreign amount) 2015**	**Net Exposure (Foreign amount) 2014**	**Net Exposure (Foreign amount) 2014**
ZAR	1,458,523	116,682	6,129,820	612,982
Tanzania Shilings	4,566,326,872	2,478,332	(1,603,235,169)	(1,000,771)
Malawi Kwacha	1,826,535,085	4,200,924	-	5,606,749,825
Botswana Pula	20,407,465	2,122,372	7,859,411	927,912
Zambian Kwacha	161,154,498	21,253,478	28,259,267	4,485,598

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenues or expenses are denominated in a different currency).

The following table demostrates the sensitivity to a reasonably possible change in US dollar exchange rate against the following currencies, with all other variables held constant, of the Group's profit before tax. There is no impact on equity.

	Change in rate	Effect on profit before tax
2015		**US$**
Zambia kwacha denominated balances	+10%	(987,130)
	-10%	987,130
Rand denominated balances	+10%	(42,511)
	-10%	42,511
Pula denominated balances	+10%	(83,554)
	-10%	83,554
Tanzania Shillings balances	+10%	(243,558)
	-10%	243,558
2014		**US$**
Zambia kwacha denominated balances	+10%	(190,139)
	-10%	190,139
Rand denominated balances	+10%	(12,019)
	-10%	12,019
Pula denominated balances	+10%	(191,434)
	-10%	191,434
Tanzania Shillings balances	+10%	90,979
	-10%	(90,979)

26.4 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the statement of financial position.

The Group evaluates the concentration of risk with respect to trade receivables as high. Though its customers are located in several juristrictions and largely indepent markets, a significant portion of the receivables is owed by the Governments of Zimbabwe, Tanzania, Malawi and Zambia representing 42% (2014: 45%) of the total receivables.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

26.5 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's long term debt obligation with floating interest rates.

The Group manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
2015		**US$**
US dollar	+50	(5,324)
	-50	5,324

	Increase/decrease in basis points	Effect on profit before tax
2014		**US$**
US dollar	+50	(6,447)
	-50	6,447

27 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods ended 31 March 2014 and 31 March 2015. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Capital is equity attributable to the equity holders of the parent.

	2015 US$	2014 US$
Interest bearing loans and borrowings	13,982,901	35,705,027
Trade and other payables	14,143,325	18,175,242
Less cash and short term deposits	(20,255,496)	(4,026,614)
Net debt	7,870,730	49,853,655
Equity	147,802,804	100,802,244
Capital and net debt	155,673,535	150,655,899
Gearing ratio	5%	33%

28 EXCHANGE RATES

The following exchange rates to the US dollar were used to convert the Income Statement, Statement of Comprehensive Income and Statement of Financial Position at year end of the various foreign entities.

	2015	2014
Zambian Kwacha (ZK)		
Income Statement	6.94	5.86
Statement of Financal Position	7.58	6.30
Malawi Kwacha (MK)		
Income Statement	431	379
Statement of Financal Position	435	431
Botswana Pula (BP)		
Income Statement	9.47	8.30
Statement of Financal Position	9.62	8.47
Tanzania Shilings (TSH)		
Income Statement	1,707	1,602
Statement of Financal Position	1,843	1,602

29 SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their geographical locations and has two reportable operating segments as follows:

The regional segment operates in countries outside Zimbabwe but within Africa namely Zambia, Malawi, Botswana, Kenya, South Africa and Tanzania.

The Zimbabwe segment is made up of Seed Co Zimbabwe (Private) Limited and Quton Seed Company (Private) Limited. Segment performance is evaluated based on operating profit or loss.

Period ended 31 March 2015

	Zimbabwe Operations US$	Regional Operations US$	Total US$
Gross sales	36,804,489	70,321,457	107,125,946
Inter- segment sales	-	(12,466,410)	(12,466,410)
Revenue	**38,804,489**	**57,855,047**	**94,659,536**
Profit before tax	6,756,493	9,441,583	16,198,076
Taxation	(2,132,106)	790,860	(1,341,246)
Segment profit	**4,624,387**	**10,232,443**	**14,856,830**
Segment assets	86,157,516	100,819,598	186,977,114
Segment liabilities	(9,605,789)	(29,568,521)	(39,174,310)
Net segment assets	**76,551,727**	**71,251,077**	**147,802,804**
Segment interest expense	1,630,008	1,553,971	3,183,978
Segment interest income	2,846,750	-	2,846,750
Non-current assets	51,993,820	37,015,994	89,009,814
Depreciation charge for the year	1,421,516	1,832,121	3,253,637
Capital expenditure	2,502,501	6,042,403	8,544,904
Number of employees	138	249	387

Period ended 31 March 2014

	Zimbabwe Operations US$	Regional Operations US$	Total US$
Gross sales	50,217,524	76,742,407	126,959,931
Inter- segment sales	-	(6,772,046)	(6,772,046)
Revenue	**50,217,524**	**69,970,361**	**120,187,885**
Profit before tax	3,585,074	11,972,823	15,557,897
Taxation	(322,420)	(3,402,046)	(3,724,466)
Segment profit	**3,262,654**	**8,570,777**	**11,833,431**
Segment assets	91,365,092	78,946,777	170,311,869
Segment liabilities	(46,602,597)	(22,907,053)	(69,509,650)
Net segment assets	**44,762,495**	**56,039,724**	**100,802,219**
Segment interest expense	3,901,640	4,046,512	7,948,152
Segment interest income	4,676,852	235,759	4,912,611
Non-current assets	27,965,538	20,583,273	48,548,811
Depreciation charge for the year	1,851,438	2,106,914	3,958,352
Capital expenditure	1,310,844	7,661,832	8,972,676
Number of employees	136	206	342

- Inter-segment sales are eliminated on consolidation
- Capital expenditure consist of additions of property, plant and equipment and investment property.
- Non current assets comprise investment property, financial assets, defered tax and property, plant and equipment.
- Prior year comparatives have been restated to account for discontinued operations.

GEOGRAPHICAL INFORMATION

External revenue attributed to the entity's country of domicile is as presented under Zimbabwe and regional operations above. Similarly non-current assets located in the country of domicile and in all foreign countries is as presented under Zimbabwe and regional operations above.

INFORMATION ABOUT MAJOR CUSTOMERS

During the year the Government of Zimbabwe bought seed worth US$10million. The Government falls under the Zimbabwean operation segment.

INFORMATION ABOUT PRODUCTS

The Group has not disclosed revenues from external customers for each product as the cost of compiling the information would be excessive.

30 DISCONTINUED OPERATIONS

During the year the shareholders of Seed Co Limited approved the decision by the Board of Directors to dispose an interest of the cotton business to Mahyco. The sale of a 60% interest in Quton Seed Company (Private) Limited was completed on 30 November 2014, whilst the sale of 60% interest in both Quton Tanzania and Quton Malawi was completed on 31 March 2015. Quton Seed Company was part of the Zimbabwe operations segment, whilst Quton Malawi and Quton Tanzania were part of the regional operations segment. The results of the discontinued operations for the year are presented below:

	2015 US$	2014 US$
Revenue	5,991,915	13,653,095
Expenses	(8,848,571)	(13,635,249)
Operating (loss)/ income	(2,856,656)	17,846
Other income	189,721	216,769
Finance income	31,870	110,584
Finance costs	(305,305)	(709,053)
Gain on disposal of subsidiaries	2,589,868	-
Loss before tax from discontinued operations	(350,502)	(363,854)
Income tax credit/ (expense)	503,413	(269,855)
Profit/ (loss) for year	**152,911**	**(633,709)**

30.1 The major classes of assets and liabilities of Quton disposed were as follows:

Property, plant and equipment	3,424,005	-
Deferred tax assets	213,894	-
Financial assets	2,383,348	-
Inventories	4,011,069	-
Trade and other receivables	9,458,594	-
Cash and bank balances	41,980	-
Assets sold	**19,532,890**	**-**
Liabilities		
Trade and other payables	8,914,896	-
Borrowings	3,551,488	-
Total liabilities	**12,466,384**	**-**
Net assets directly associated with Group	7,066,506	-
Total Consideration	6,608,355	-
Consideration received, net of cash disposed	4,911,611	-

30.2 The net cash flows incurred by Quton business are as follows:

	2015 US$	2014 US$
Operating	(237,929)	(280,517)
Investing	(144,866)	(386,428)
Financing	(305,305)	(709,053)
Net cash (outflow)/inflow	**(688,100)**	**(1,375,998)**

30.3 Earnings per share

Basic, loss for the year from discontinued operations - cents	(1.11)	(0.32)
Diluted, loss for the year from discontinued operation - cents	(1.10)	(0.32)

31 EVENTS AFTER THE REPORTING PERIOD

The Group acquired a 100% interest in Prime Seeds (Private) Limited on 1 April 2015 for a cash consideration of $1.85m to expand its product basket. Prime Seeds is involved in the production and processing of vegetable seeds. No further disclosures regarding the fair value of the assets and liabilities acquired and goodwill, if any, could be disclosed as the initial accounting for the business combination was incomplete at the time the financial statements were authorized for issue.

	Shareholder classification	Total Holding	Percentage of total
1	LOCAL COMPANIES	57,496,749	24.52%
2	PENSION FUNDS	53,423,452	22.79%
3	FOREIGN COMPANIES	81,734,860	34,87%
4	INSURANCE COMPANIES	27,556,316	11.75%
5	LOCAL INDIVIDUAL RESIDENT	4,323,923	1.84%
6	CHARITABLE AND TRUSTS	3,584,865	1.53%
7	FOREIGN NOMINEE	3,177,827	1.36%
8	LOCAL NOMINEE	1,103,379	0.47%
9	FUND MANAGERS	1,067,236	0.46%
10	INVESTMENTS	412,306	0.18%
11	GOVERNMENT/QUASI-GOVERNMENT	274,742	0.12%
12	EMPLOYEES	197,375	0.08%
13	BANKS	59,203	0.03%
14	DECEASED ESTATES	36,214	0.02%
15	FOREIGN INDIVIDUAL RESIDENT	19	0%
		234,448,466	**100%**

Top ten shareholders

1	VILMORIN ET CIE- NNR	71,229,896	30.38%
2	STANBIC NOMINEES (PRIVATE) LIMITED.	34,174,913	14.58%
3	OLD MUTUAL LIFE ASSURANCE COMPANY ZIMBABWE LIMITED	25,500,717	10.88%
4	SCB NOMINEES 033663900002	23,973,901	10.23%
5	NATIONAL SOCIAL SECURITY AUTHORITY	17,694,246	7.55%
6	MINING INDUSTRY PENSION FUND	6,708,304	2.86%
7	BURKET ASSOCIATES LIMITED NNR	4,529,583	1.93%
8	STANBIC NOMINEES (PRIVATE) LIMITED - NNR	3,520,131	1.5%
9	LOCAL AUTHORITIES PENSION FUND	3,347,975	1.43%
10	OLD MUTUAL ZIMBABWE LIMITED	3,236,334	1.38%
11	OTHER	40,532,466	17.63%
		234,448,466	**100%**

Shareholder classification	Total Holding	Percentage of total
1 PENSION FUNDS	45,239,529	21.91%
2 NEW NON RESIDENT	39,175,114	18.98%
3 INSURANCE COMPANIES	31,772,383	15.39%
4 FOREIGN NOMINEE	30,612,570	14.83%
5 LOCAL COMPANIES	19,089,151	9.25%
6 FOREIGN COMPANIES	18,531,282	8.98%
7 LOCAL NOMINEE	10,687,456	5.18%
8 LOCAL INDIVIDUAL RESIDENT	5,784,568	2.80%
9 CHARITABLE AND TRUSTS	3,567,785	1.73%
10 FUND MANAGERS	622,863	0.30%
11 GOVERNMENT/QUASI-GOVERNMENT	521,962	0.25%
12 INVESTMENTS	503,580	0.24%
13 EMPLOYEES	245,500	0.12%
14 BANKS	59,203	0.03%
15 DECEASED ESTATES	32,780	0.02%
	206,445,726	**100%**

Top ten shareholders

1 VILMORIN ET CIE- NNR	30,819,144	14.93%
2 OLD MUTUAL LIFE ASSURANCE CO. ZIM LTD	27,601,875	13.37%
3 STANBIC NOMINEES (PRIVATE) LIMITED - NNR	23,247,768	11.26%
4 NATIONAL SOCIAL SECURITY AUTHORITY	20,798,328	10.07%
5 STANDARD CHARTERED NOMINEES (PRIVATE) LIMITED - NNR	19,801,280	9.59%
6 AICO AFRICA LIMITED	7,163,233	3.47%
7 MINING INDUSTRY PENSION FUND	6,612,927	3.20%
8 OLD MUTUAL ZIMBABWE LIMITED	5,568,632	2.70%
9 FED NOMINEES (PRIVATE) LIMITED	4,548,342	2.20%
10 BURKET ASSOCIATES LIMITED NNR	4,529,583	2.19%
11 OTHER	55,754,614	27.01%
	206,445,726	**100%**

Notice is hereby given that the 20th Annual General Meeting of Seed Co Limited will be held in the Seed Co Administration Block at Stapleford on Wednesday 12 August 2015 at 12 noon for the purpose of transacting the following business:

Ordinary Business

1. To receive, consider and adopt the financial statements and reports of the Directors and auditors for the year ended 31 March 2015.

2. Messers Dr D Garwe, J P Rooney, Dr C.B.M Utete, retire by rotation while Mitchel Debrand who joined the board on 7 November 2014 retire in terms of Articles 101 of the Company's Articles of Association. All these retiring Directors offer themselves for re-election.

3. To approve the fees of the Directors.

4. To approve the remuneration of the auditors for the past audit and re-appoint Ernst & Young, Chartered Accountants (Zimbabwe) as auditors for the current year.

Special Business

5. **Amendments to Articles of Association**

To consider and if deemed fit, pass with or without amendment, the following resolutions as special resolutions:

5.1 That a new Article, Article 11(A) be inserted as follows:

"Notwithstanding any contrary provisions in the Companies Act (Chapter 24:03) and these Articles of Association, the Company shall issue securities in dematerialized form, convert certificated securities to dematerialized securities, and allow its securities to be traded in dematerialized form, provided that no certificated securities shall be converted to their dematerialized form without the consent of the holder thereof".

5.2 That a new Article, Article 143 (A) be inserted as follows:

"Any documents and or notices required to be sent to members in terms of sections 141 to 143 above or in terms of any other provision of these Articles of Association may, notwithstanding anything to the contrary be sent by electronic means to the electronic address last furnished by such members and shall be posted on the Company's official website. Such documents and or notices shall be forwarded to the members concerned within the prescribed time frames. Provided, should a member request a hard copy, such document as requested shall be availed in hard copy format to the member".

5.3 That article 133 be amended to read as follows:

"Any dividend, interest or other monies payable in respect of the shares may be paid through any and all approved national payment systems and such payment may be notified to the recipient by communication to his electronic address, or in the case of joint holders, to the electronic address of that one of the joint holders who is first named on the register of members or to such person or to such electronic address as the holder or joint holders may direct. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other money payable in respect of the shares held by them as joint holders.

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

Dematerialisation of securities

The implementation and licensing of a Central Securities Depository has necessitated conversion of listed certificated securities into their electronic form before any trading on the Zimbabwe Stock Exchange (ZSE) can be effected. The Companies Act (Chapter 24:03) and the Company's Articles of Association recognize paper share certificates. However, the Securities and Exchange Act (24:25) through provision of section 72 allows securities to be dematerialized. In order to comply with the requirements of the above, it is recommended that the Company passes the necessary resolution.

Electronic shareholder documents and notice

The technological developments in electronic communication, that have happened over the years, have ushered in efficiencies while the cost associated with the preparation and delivery of physical copies of annual reports, shareholder notices and related documents has increased. The company would want to be able to send electronic documents in place of physical documents to its members.

By order of the Board
J Matorofa
Secretary

10 June 2015

Notes

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, vote and speak intheir stead. The proxy need not be a member of the company.

To be effective the form of the proxy must be lodged at the company's office at least 48 hours before the meeting.

75 years of Corporate Social Responsibility

Zambia

Donation of medical equipment to Chawama Clinic - Lusaka

Official hand over of medical equipment to Chawama Clinic - Lusaka

Malawi

Ground breaking ceremony for Chigukire/Sagire bridges

Handover of classroom desks to Umzuzu College by Seed Co Malawi

Kenya

Handing over Seed Co branded umbrellas to Vicar General Rev Ngoma of Kitale Catholic

True success is measured by how much you give back, this is a philosophy shared across every SBU in Seed Co Limited. In view of this the organization has focused on Community sustenance and structured a vibrant and robust CSR programme partnering with various institutions. For years now Seed Co has stood rightfully convicted of our core philosophy to ensure as we Seed Africa, we Feed Africa. The organisation has pledged to help human society, striving to do as much as possible to ensure the community around is sustainable as their livelihood is depended on the company whilst assistance to the vulnerable members of society is based on merit and need. Our main agenda is to ensure that equal opportunities are awarded to every person, regardless of the present economic crisis across the African continent highly impacting businesses at large, us as Seed Co are ready to split with others the small piece of the pie afforded to us to ensuring that as long as we can help it there will be no lack around us. As Paul Walken, one philosopher said, "Everything is connected to everything else" is often called the First Law of Ecology. Helping human society to prosper in the 21st century requires that we recognize the importance of living in balance with our physical environment and treating each other with dignity and equity."

True success is measured by how much you give back

Donation of stationery to a Primary School in Lusaka - Zambia

Zimbabwe

Hand over of mealie meal at Harare Children's Home

Handover of branded sports kit to Hillcrest college rugby team - Harare

Seed Co donates rugby kits to Zim under 20 rugby team

Seed Co donates seed in Rusape, Zimbabwe

Seed Co's aim is to give to the less privileged, in a bid to merge the gap between the have's and the have not's. She strongly advocates of the concept of giving. Activities across all SBUs resonates the managerial acceptance of this philosophy. To mention a few, Seed Co Zimbabwe has an appreciation of fostership. As St Marnocks children have been relying on Seed Co for more than 7 years now. Tuition is paid for 20 orphans and vulnerable children (10 primary and 10 secondary) whom are continuously encourage to fully utilise and maximise these opportunities. Some of the children have done well and three students have even proceeded to tertiary institutions.
Seed Co Zambia enhanced education and health standards by constructing teachers' houses at Mukwashi School and donating medical equipment at Chawama clinic in Lusaka. Seed Co Malawi also has a significant CSR policy by donating medical equipment and donating the Chigukire / Sangire Bridge to aid neighbouring communities. Charity work is one area where all Seed Co management are in 100% agreement with the understanding that education and food are the most basic but important aspect of anyone. In Kenya, Seed Co also supports good causes. We are cognisant of the fact that we need to stand by our principle and feed Africa.

BOARD COMMITTEES

Audit Committee

J P Rooney (Chairman), D E B Long, M S Ndoro

Remuneration Committee

D E B Long (Chairman), Dr. C. Utete, J P Rooney

SUBSIDIARY BOARDS

Seed Co Zimbabwe

C Utete (Chairman)
C Davenport
C Fambisai
K Mafukidze
J Matorofa
S Mtizwa
C Mutunhu
F Ndawi
M Nzwere
T Taylor
D Zaranyika

Seed Co Zambia

C Kabaghe (Chairman)
G Bwanali
D Clements
J Matorofa
M Nzwere
J P Rooney
E Rupende
C Sichangwa

Seed Co Malawi

D E B Long (Chairman)
A Barron
C Chilungulo
J Lungu
J Matorofa
M Nzwere
D W Phiri

Seed Co Tanzania

M Ndoro (Chairman)
D Clements
J Matorofa
M Nzwere
J Kabissa

Seed Co International

N Armstrong (Chairman)
Dr Q Masire
J Matorofa
M Nzwere

COMPANY SECRETARY

J Matorofa

GROUP EXECUTIVES AND SENIOR MANAGEMENT

M Nzwere - Group Chief Executive Officer
G Bwanali - Managing Director Zambia
C Mugadza - Managing Director Tanzania
J Matorofa - Group Finance Director
E E Mhandu - Managing Director Quton
D Phiri - Managing Director Malawi
D Zaranyika - Managing Director Zimbabwe
E Havazvidi - Head of Research
C Fambisai - Business Development
S Ruwisi - Treasury
P Mutandwa - Human Resources
F Ndawi - Finance Director Zimbabwe

SENIOR CROP BREEDERS

Maize - M J Caulfield, P G Rupende, E Tembo, G Mabuyaye
Wheat - E K Havazvidi
Soyabeans - J S Tichagwa

AUDITORS

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FOR 75 YEARS WE HAVE SEEN SEASONS COME AND GO

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