SEED▲CO

The African Seed Company

2017 ANNUAL REPORT

"Defending the Core,.. Exploiting the Pan African Opportunities"

About this report

Seed Co Limited, which is listed on the Zimbabwe Stock Exchange, is the leading producer and marketer of certified crop seeds in Southern Africa. We believe that our annual report can help our stakeholders make better informed decisions about our business.

This report, which is our primary report to stakeholders, covers the period 1 April 2016 to 31 March 2017. The scope of this report includes the Seed Co group's operations, projects and the key functions over which we exercise control.

For ease of reference we have used Seed Co or the group to represent the company and its group entities. All our subsidiaries, business divisions and products are referred to by their branded names. With respect to comparability all items are reported on a like-for-like basis with no major restatements. Any restatements are noted and explained.

Reporting frameworks

Our integrated report conforms to the requirements of local and international reporting frameworks, including those of the Zimbabwe Stock Exchange Listings Requirements. We have used the International Integrated Reporting Framework to guide us in structuring our report to show the connectivity between material information on our strategy, governance, performance and prospects and how our strategy affects and is affected by environmental, social and financial matters. We have been guided by the Global Reporting Initiative's (GRI) 3.1 indicators. Selected sustainability information in this report has been assured by independent auditors Ernst & Young Inc. For more information see the assurance statement available on the Seed Co website.

Your feedback

We welcome your comments and feedback on our reporting. You can provide this at www.seedcogroup.com/annualreportfeedback or by emailing the corporate reporting team – details are on the back cover. Your views are important to us and help shape our reporting for future years.

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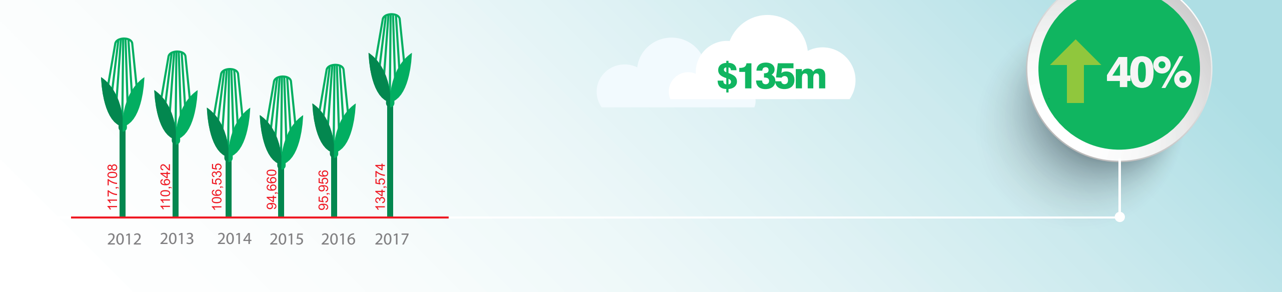
A soft copy of this Annual Report and further information about the company is available on our corporate website:
www.seedcogroup.com
The Proxy form and Abridged version of this financial report can also be downloaded online.

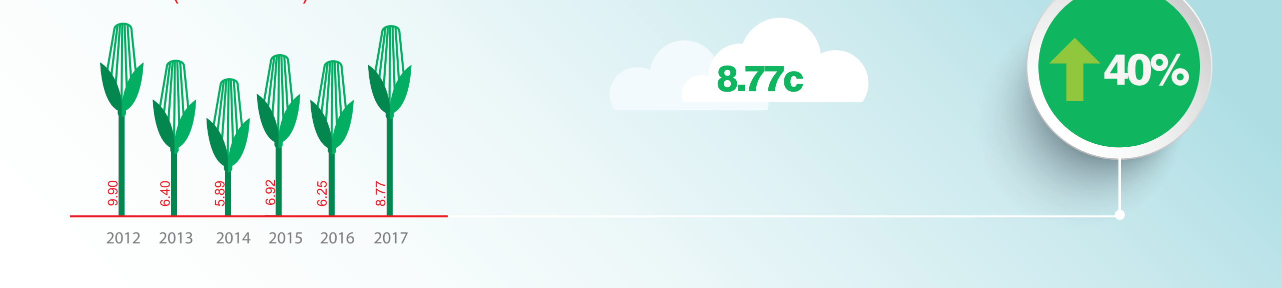
Performance highlights

Group Revenue US$000s

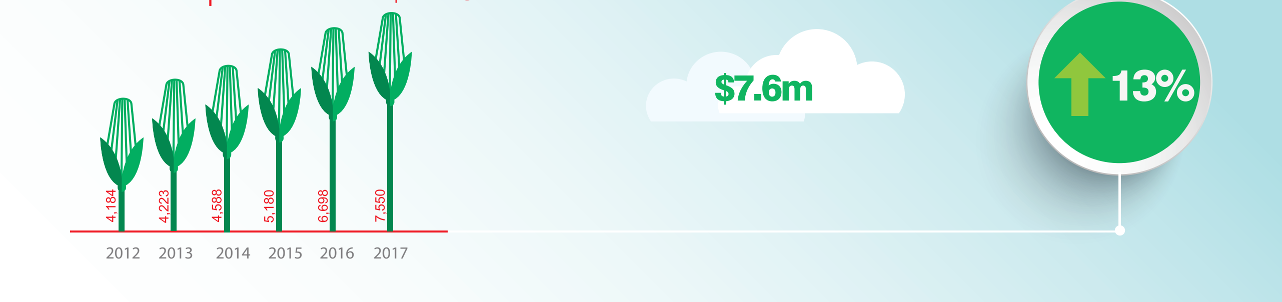


Group PAT US$000s

EPS (US cents)



R&D Expenditure US$000s



Seed Maize volumes

Business highlights

Our focus has been on improving profitability while continuing to apply world-class science together with our partner Limagrain and the most productive research and development in the industry to achieve a step change in agricultural productivity.

SC 719 records high sales across markets

The variety proved to be a giant across the Pan African landscape when it sold out this season. We expect SC 719 to be the farmers choice seed of the future.

Prime Seed Co & HM Clause collaborate

The collaboration between Prime Seed Co and HM Clause will rejuvenate the Vegetable seed business. An experienced HM Clause will grow the business in the right direction.

11 reasearch stations working together

We have 11 official research centres across Africa with the purpose of testing and breeding for different ecological climates. These teams are combining their efforts to release new seed varieties for Africa.

Kenya processing facility officialy opened

The company officially opened the centralised processing factory for the Kenyan Highlands.

New advanced equipment for the Laboratory

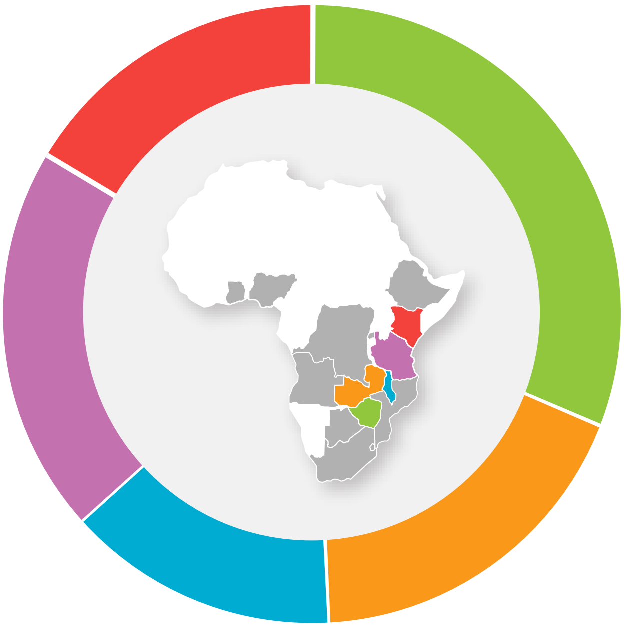
Our Pathology and Molecular Team have acquired the latest Gene seperating equipment that will help with creating new better seed varieties.

Nigeria releases new maize varieties

We have released new varieties for the Nigerian market. The SC 719, SC 651, SC 645 and SC 510 are now available in Nigeria.

Contribution to Group revenue 2017

Our teams around Africa are combining their knowledge and effort to make profitable growth



Contribution %	2017	2016
Zimbabwe	43%	33%
Zambia	17%	21%
Malawi	6%	11%
Tanzania	9%	10%
Kenya	8%	9%

Seed Co Limagrain partnership building

Seed Co - Limagrain Group photo at the Seed Co Stapleford Office in Zimbabwe

Limagrain CEO Emmanuel Rougier chats with Seed Co CEO Morgan Nzwere

Our collaboration with Limagrain is expanding the compass of our technologies. Our innovations in research will develop strong new seed products that will keep us leading in Africa.

Progress and key achievements

- Limagrain relationship provides global best practice
- Product development and research, double haploid, molecular markers, MNLD and Germplasm exchanges
- Prime Seed Co vegetable business joint venture with HM Clause
- Digital agriculture developments

solid business foundations for the future

Seed Co Agronomist takes Limagrain board members through a demonstration maize field in Zambia

Seed Co Chairman David Long inspects a maize crop in Zambia with Group CEO Morgan Nzwere and Tanzania MD Clive Mugadza

SC 719 IMPROVING YIELDS FOR SMALLHOLDER FARMERS ACROSS AFRICA

Smallholders are increasingly important to us as we expand our reach in emerging markets. Our seeds help their profitability by increasing farm productivity.

SEED-CO

The African Seed Company

THE HOME OF BUMPER HARVESTS

Seed Co Maize greatly contributing towards food security in Africa

SC 719 Impressive cob in the field

Seed Co's vision is to bring farmers greater food surplus, profitability and continuous growth in an increasingly populous Africa by creating a step change in farm productivity

Progress and key achievements

- Superior research & development have created maize varieties suited to the many ecological zones in Africa
- Joint Venture with Limagrain on yellow maize will bring product diversification
- Expansion into East Africa, DRC & West Africa is set to enhance - hybrid seed adoption
- Seed Co entry into Francophone Africa

Limagrain Chairman Jean-Yves Foucault inspects a Seed Co maize cob with some of Limagrain's board members in Zambia

Chairman's Letter

Dear Shareholders,

Introduction

I am pleased to present to you the Annual report of your Company for the financial year ended 31 March 2017, my first as your Chairman.

Your Company has once again posted commendable growth in earnings; underpinned by strong seed demand in Southern Africa which was blessed with a good rain season during the year.

Environmental Overview

GDP growth in the Sub-Saharan Africa (SSA) region stagnated in 2016. The region recorded the softest economic growth in over two decades, with slowdowns in key economies such as Nigeria and South Africa accounting for most of the deceleration. That said; the region was a tale of two distinct trajectories - non commodity-dependent economies such as Cote d'Ivoire and Ethiopia benefited from lower oil prices and countries such as Kenya and Tanzania showed robust growth due to an improved business environment and strong capital investments in the services, mining and quarrying industries.

In Southern Africa, while gradual recovery in commodity prices is forecast, with copper for example already having recovered from a low of US$4000 per tonne to the current $5800, growth is expected to remain subdued on the back of economic and political challenges across the region, and progress will depend to a large extent on how fast governments can implement reforms aimed at promoting growth, re-establishing macroeconomic stability and enhancing trade links within the region. Agricultural activity is expected to spur recovery but pest infestation, particularly the army worm, is becoming a threat to the expected harvest.

Financial Review

The Group achieved a turnover growth of 40% to $135m compared to last year. The PAT grew by 41% to $20.7m compared to prior year driven by strong demand for and superior performance of your Company's products.

The balance sheet grew by 17% to $233m with current assets going up by 41%, mainly due to growth in cash and cash equivalents which more than doubled as compared to prior year. Exposure to TBs was reduced by 39% through discounting at rates of between 7% and 10%

Chairman's Letter

Product Quality and Seed Supply

The Group's relentless efforts to improve product quality are paying off and your company is proud to report that the product purity in all markets is exceptionally high and that this has created confidence in and demand for the Group's product offering. Enhanced support for our seed growers has started to pay off as yields have further improved. Every effort is being made to ensure that there will be adequate stocks of seed to meet demand and this includes undertaking winter production wherever possible.

People

Your Company continues to ensure that the business is adequately resourced in all key areas of the value chain with qualified skills. The group has strengthened its marketing capacity and continue to create customer centricity through training and development.

The Competitive Landscape

Competition has increased significantly in all markets and I am happy to report that your Company has continued to sharpen its competitive advantages through it's product offering together with focused efforts better understanding the needs of farmers and in ensuring that everyone in the value chain benefits from using our products.

Your Company has demonstrated leadership in product pricing notwithstanding the prevailing liquidity crisis across all markets and the challenge of value preservation and currency devaluation.

The company continues to invest in extensive product demos held across all markets as our customers believe in seeing product performance in the field.

Your Company continues to leverage and benefit from it's relationships with Governments and NGOs across all markets in Africa.

New Business Development

I am happy to report that new business development work is continuing in East and West Africa. Inroads are being made in yellow corn research by exploiting our collaboration with Limagrain.

The opening of the new seed drying and processing facilities in the Kenya Highlands is expected to spearhead growth of our business in Kenya. Resources are now on the ground in DRC and extension work continues in order to grow this market, while in Ethiopia efforts are still being made to secure the necessary licences for this promising market where our registered products are already in huge demand.

I am impressed with the collaboration of the Limagrain and Seed Co teams in an effort to upscale the vegetable business in Africa and I am confident that this business will grow and become an increasingly important profit generator. Our alliance with Limagrain continues to add considerable value to your Company particularly in the research, technology and product development arenas.

Future Prospects

I am confident that your Company will remain a dominant player in the seed industry in Africa because of its full product pipeline of superior products developed to replace those currently deployed in the market and still out-performing the competition. Your Company will continue to increase its investment in Research and Development in order to bring forward new products for new markets thereby remaining ahead of the competition.

Directorate

I would like to welcome those directors who were appointed during this past year and to thank all of my colleagues on the board for their support and guidance. I should also like to compliment your Company's management and staff for delivering what I consider to be most impressive results.

By Order of the Board

D E B Long
Chairman
1 June 2017

Chief Executive Officer's Review

Listening to stakeholdres
Morgan Nzwere at the Seed Co Limagrain dinner in Harare, Zimbabwe

Overview
The Group posted a very strong performance underpinned by the resurgence of Seed Co Zimbabwe under the government's Command Agriculture program, market coverage extension in Tanzania as well as a steady open market growth in Zambia ; all these on the back of a very good rainy season in Southern Africa.

Group Financial Review
Financial Results
Revenue:
The Group achieved a turnover of $135m, a 40% increase on prior year driven by the increased maize seed volumes. The volume contribution for the various markets was as shown shown in fig 4.

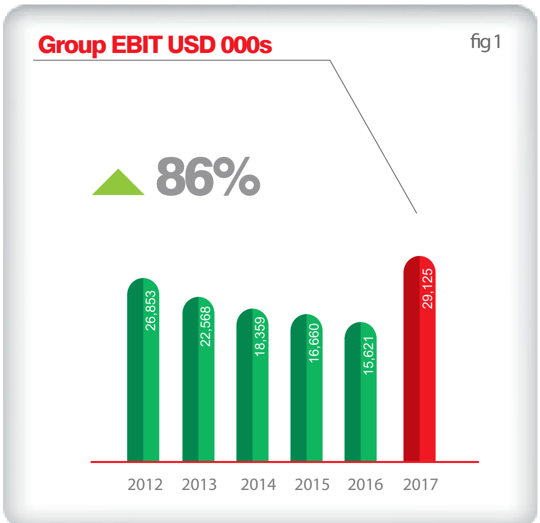
Margins
Gross margins at 54%, improved by one percentage point compared to prior year mainly due to product mix. With the improved rains, farmers demanded the longer maturing varieties which generally tend to carry higher margins.

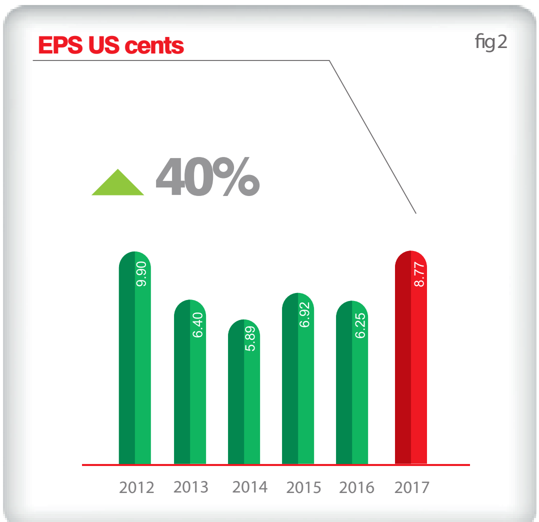
Other Expenditure
Other expenditure in current year relates to exchange losses on foreign denominated monetary items due to the movements of currencies in regional markets especially in Zambia and Malawi.

Overheads
Operating costs increased by 22% due to impairment of receivables relating to the cotton seed business and increased distribution and marketing costs associated with the higher sales volumes.

Finance Charges
Finance charges increased due to disposal of treasury bills at a discount in Zimbabwe, as well as timing delays in payments by some regional Governments, which led to extended borrowings.

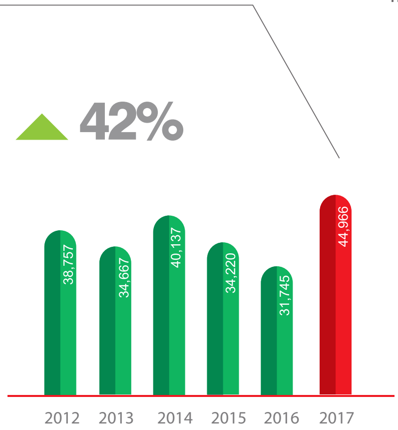
Earnings
Group PAT increased by 41% compared to prior year benefitting from the strong demand for maize seed, as indicated elsewhere, due to a very good rain season and strong input programs by regional governments. The out turn was particularly satisfactory given the inventory write offs, exchange losses and increased finance charges incurred during the year.





Chief Executive Officer's Review

Maize Sales Volumes in mt fig3



Sales volume contribution by SBU 2017 fig4

	2017
Zimbabwe	41%
Zambia	20%
Malawi	8%
Tanzania	9%
CCU	8%
Kenya	9%
Prime Seed Co	1%

Sales volume contribution by SBU 2016 fig5

	2016
Zimbabwe	32%
Zambia	24%
Malawi	14%
Tanzania	10%
CCU	7%
Kenya	11%
Prime Seed Co	2%

Statement of Financial Position

Non Current Assets

Property, Plant and Equipment increased by $3,4m mainly due to the purchase of a new research farm in South Africa; completion of the first phase of seed drying and processing facilities in Kenya; acquisition of a production farm in Zambia; resourcing of the new research laboratory and replacement of some seed dressing lines in Zimbabwe.

Other non-current assets decreased due to disposal of a parcel of treasury bills during the period.

Current Assets

Accounts Receivable

Accounts receivable increased by 20% compared to prior year due to delays in payments by Government institutions in the region. Included in the trade receivables are amounts due from the Governments of Botswana, Zambia, Malawi, Tanzania and Rwanda which owed the Group a combined total of US$20m. Subsequent to year end; US$17m was collected from debtors across various business units and efforts are continuing to collect outstanding balances.

Inventory Levels

The stock levels decreased due to the increased sales with some markets experiencing stock outs.

Equities and Liabilities

The shareholders funds increased by 15% due to the recorded profit for the year.

Cash Generation

The Group closed the year with a net cash position of $18m, compared to net borrowings of $9m in prior year, due to a combination of a number of factors, among them being growth in profitability, increased cash sales, aggressive debt collection, reduction in inventories and liquidation of treasury bills.

Chief Executive Officer's Review

Research & Development

Two new maize hybrid products were released for the Kenya Highlands market. Some current long maturing hybrids have turned into blockbusters in almost all markets and demand is outstripping supply.

Other highlights in Research and Development were as follows:

- The Group continued to make some inroads in the research for new products that fight new diseases like Maize Lethal Necrosis Disease (MLND);
- The new research facilities at Potchefstroom, in South Africa were resourced with adequate manpower and operational equipment;
- The hybrid rice trials taking place in West Africa yielded some promising results;
- Construction of offices at Kitale Research Station in Kenya was completed;
- The Doubled Haploid sun screen nursery block was completed at the Rattray Arnold Research Station (RARS);
- The Misting block for Cob rot screening was established at the Stapleford Research Centre (SRC); and
- Genetic purity tests on maize seed samples were moved to being conducted internally following the successful commissioning of our new laboratory at RARS.

The Group expanded its collaboration activities with other international institutions like ICRISAT, ICARDA, Hybrid Rice Development Consortium (HRDC), and the International Wheat Yield Project (IWYP) in addition to CIMMYT.

Seed Supply

The Group closed the year with a carryover volume of almost 20% of sales which is the desired position. However due to anticipated increased demand in the new selling season, seed production has been increased by 20% ; including some winter production to ensure that the markets have adequate seed in terms of the varieties that ran out in most markets last season.

Business Development

Nigeria

Overcoming agronomic and productivity challenges remains a key deliverable for the seed production team as it delivered half of expectations due to sub-optimal nicking and the fall armyworm.

In order to upscale the business in Nigeria, a medium sized seed processing plant was installed in Kaduna while work has started on developing a 1,000 ha farm secured from the Kaduna State Governor.

Ghana

Research and Development planted first breeding nurseries in Ghana and continue to scout for land to establish Research and Development facilities & infrastructure.

Ethiopia

The Ethiopia branch business license remained outstanding , with our appointed consultant continuing to work with local advisors.

Prime Seed Co Vegetable Business development

Teams from Seed Co & HM Clause agreed on all material items on how to structure and upscale the vegetable business in Africa. Business development teams from both parties were charged with formulating a business plan that will spell out the growth path of the vegetable business. Prime Seed Co Zimbabwe product development screening efforts saw the commercialization of 18 HM Clause vegetable varieties primarily squash, tomatoes, broccoli, cucumber, & peppers in the financial year.

People

Three senior breeders were retired in December 2016, having served the company for a combined 88 years. They will be utilised on an ad-hoc basis to train young breeders or carry out some consultancy projects.

The Group continued to invest in training and development of its staff in all key areas of its value chain.

Chief Executive Officer's Review

Operations

Zimbabwe

•The SBU benefitted significantly from the Government's Command Agriculture program, attaining over 81% market share in this scheme.
•The SBU was able to get the lion's share of the input programs due to its preparedness in terms of having stocks available at the right time and quick local decision making.
•The country also received above normal rains which helped in increased plantings although this unfortunately resulted in the leaching of nutrients. Due to liquidity constraints and fertilizer shortages, farmers could not afford double application of nutrients.
•The SBU achieved a turnover of $59m showing a growth of 80% compared to budget and more than double compared to prior year.
•Overheads were 11% above prior year reflecting the higher distribution expenses as a result of the increase in sales activity.
•The SBU achieved a record full year PAT of $13,5m against a prior year performance of $5.3m.

Zambia

•The economy remained on a steady recovery trajectory with copper prices having firmed from a low of US$4,000 per ton to $5,800, while the kwacha strengthened to below 10 against the greenback.
•Revenue for the period of $33.9m was 19% better than budget and 15% higher than prior year. Sales volumes benefitted from better rainfall compared to prior year while the stronger ZMK resulted in higher US$ turnover values on conversion.
•The gross margin at 57% was slightly better than 55% budgeted for.
•Overheads exceeded budget by 7% due to higher sales and distribution costs incurred in line with sales volumes increases.
•In spite of increases in sales value; the business unit had a lower after tax profit than budget and last year due to significant exchange losses and finance costs.

Malawi

•The sales performance of $10.2m was subdued compared to both prior year of 2% and budget of 19%. The lower sales were due to a reduced government input program owing to limited financial resources.
•Gross margins at of 44% were significantly below budget (53%). The margins suffered from the changes in government FISP program and price wars that were experienced on the market.
•Operating expenses were 16% higher than budget mainly attributable to inflation; increased research trials and provision for doubtful debts.
•The business unit recorded a net loss of $546k for the period compared to the profit in the previous year and budget.

Tanzania

•The SBU's turnover of $12.9m was 21% and 36% better than budget and prior year respectively. The impressive performance was accomplished by growing market share in this vast country through an expanded distribution network; focused channel management and penetration of our blockbuster variety.
•The gross margin (45%) was lower than the previous year (49%) due to the weakening Tanzanian Shilling (TSh); newly legislated labels on packaging; discounting of SC719 and aged stocks write offs.
•Overheads were 28% higher than both budget and prior year largely driven by the increasing distribution expenditure incurred in supporting the sales growth.
•Despite the expectation of a below average and erratic rainfall pattern in the February-March period, the business delivered a positive financial performance with profit after tax of $1.9m, an increase of 74% compared to prior year.

Chief Executive Officer's Review

Kenya

- The country experienced a massive drought, with livestock dropping dead, and the Government declaring the situation a national disaster. This significantly negatively impacted on plantings, with most farmers opting to keep their money to buy grain, instead of risking on planting in the drought conditions.
- Revenue of $11.1m was fractionally short of budget though 28% above prior year.
- The gross margin performance of 40% was level with budget but lower than prior year of 46% due to a sales mix that largely comprised lower margin imported seed.
- Overheads were 6% higher than budget and 32% higher than prior year due to market research expenses , advertising and promotions in the highlands region, new rentals at the Kitale depot; increased research trial sites and higher numbers of entries in National Performance Trials (NPT).
- The full year profit of $1.1m was in line with budget.

Great Lakes

- Rwanda achieved a total maize sales volume of 671 metric tonnes of maize in the year compared to prior year of 398mt.
- All sales were through the government tender program.
- We continued to engage the government on the payment delays for seed supplied in previous periods.
- The business closed the year with a turnover of $2,5m vs prior year of $1,7m and a profit after tax of $141k vs a loss of $236k in the prior year.

Seed Co International

- The business achieved $14m turnover which was 40% and 54% higher than budget and prior year respectively. The strong performance was attributable to higher rainfall which spurred demand on both the open market and the Botswana government's ISPAAD program.
- Significantly improved gross margins of 43% were recorded compared to 36% attained in prior year.
- Seed Co Botswana posted an impressive PAT of $2m as compared to prior year of $1m.

Prime Seeds Co

- Turnover performance of $6.5m was 15% better than budget and 23% higher than prior year due to a more focussed business strategy compared to prior year when the business unit was still being initiated into the group.
- Gross margins were considerably lower at 33% compared to the budgeted 43% owing to the disposal of chemicals at cost as part of the strategic decision to discontinue the product line.
- The business unit's full year net result was a profit of $390k compared to the prior year loss of $865k.

Chief Executive Officer's Review

Outlook

- The success of the command agricultural programme in Zimbabwe is expected to further increase demand for seed in the coming year as the programme is expected to run for the next two seasons while the foreign currency challenges are expected to worsen in this market and spark shortages and inflation.
- The Zambian market is expected to continue on its steady growth projectile.
- The current drought in East Africa is expected to trigger seed demand in the new season as food self-sufficiency is expected to take centre stage. Market share growth is expected to come from expansion of distribution network in Tanzania, while in Kenya, our entry into the lucrative highland market with new products and the new seed drying and processing facility is expected to strengthen our foothold.
- Extensive collaboration with Limagrain which has expertise in the vegetable business is expected to generate traction for this business in the various markets in Africa.

Acknowledgement

I would like to acknowledge the dedication of the Seed Co team for achieving commendable results in the various markets which had mixed fortunes during the year. I also wish to thank the Board of Directors for support of all the initiatives that we undertook in the current year.

M Nzwere
Group Chief Executive
1 June 2017

BOARD OF DIRECTORS

M Debrand, F H Ruwende, P Gowero, Dr D Garwe, M S Ndoro, M Nzwere (Group Chief Executive),

D E B Long (Chairman), R C D Chitengu, D Jacquemond, C Kabaghe, A G Barron, B Carette (Insert), J Matorofa (Group Finance Director)

Report of the Directors

Share Capital

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 2016	**234 448 466**
Issued during the year:	
Share option scheme	1 784 100
Issued and fully paid at 31 March 2017	**236 232 566**

At 31 March 2017, **263 767 434** unissued shares were under the control of the Directors of which **13 355 307** (2016: 13 604 307) were committed to the share option scheme.

At 31 March 2017 options for a total of **4 981 100** shares had not been exercised or forfeited.

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, both of which base their comments on the historical cost accounts.

Dividend

The Board declared a dividend of 2.92 cents per share and an additional once-off special dividend of 1.46 cents per share due to the exceptional performance in the current year ending 31 March 2017, payable to shareholders in the register of the company as at 23 June 2017. Shareholders have an option to elect either cash or scrip dividend.

Capital Expenditure

Group capital expenditure for the year to 31 March 2017 totalled US$6,295,628 (2016: US$5,787,968). Capital expenditure for the year to 31 March 2017 is planned at $10,264,100 (2016: US$6,876,406).

Directorate

Messrs B Carette, M Debrand and Dr D Garwe will retire by rotation while Messers Fungai Ruwende and Mrs Remina C D Chitengu who joined the board on 7 September 2016 and Mr, Daniel Jacquemond who joined the board on 3 October 2016 will retire in terms of article 101 of the Company's Articles of Association. All these retiring directors will offer themselves for re election.

Risk Management

The Group takes a proactive approach to risk management.

The following table on page 20 are major risks that we constantly manage that may materially affect our business, financial condition or results of our operations:

At 31 March 2017, the Directors held beneficial interests nil (2016- Nil) shares in the company.

Members will be asked to approve the payment of directors' fees amounting to $225,830 in respect of the year ended 31 March 2017 (31 March 2016 $194,409).

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
1 June 2017

Seed Co Limagrain Biotechnology Research Team creating super seed varieties of the future

Researchers at Rattray Arnold Laboratory working on the Geno Grinder

The newly acquired Hydrocycler machine in the Laboratory

Data analysis and verification

Our research wing not only has the great responsibilty of creating super yielding seeds but also making varieties that will feed Africa's growing population into the future.

Progress and key achievements

- Two new maize hybrid products have been released for the Kenya Highlands market.
- The new research facilities at Potchefstroom, in South Africa will soon be fully functional.
- Genetic purity tests on maize seed samples are now being conducted internally following the successful commissioning of our new laboratory at RARS.
- The Group has expanded its collaboration activities with other international institutions like ICRISAT, ICARDA, Hybrid Rice Development Consortium (HRDC), International Wheat Yield Project (IWYP) in addition to CYMMIT, and this is expected to quicken the pace of new product releases.

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 customers before extending credit. -Regular review of receivables to ensure adherence to payment terms -Enter into factoring arrangements 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.

Prime Seed Co vegetable business collaborates with HM Clause

Seed Co, Prime Seed Co and HM Clause (a vegetable business unit of Limagrain) teams at the HM Clause headquarters in South Africa

The integration with HM Clause will allow the transfer of know-how across our vegetable seed business portfolio. We aim to revolutionize the vegetable market in Africa.

Progress and key achievements

- Research & development to bring new strong products and drive performance in the field
- To meet diverse local preferences, we are developing vegetable seeds that grow in different ecological zones.
- We are making substantial investments in marketing and advertising to increase our market share
- Technologies such as molecular markers will help us enrich our germplasm base

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 thirteen 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 D Long (Chairman)	4/4	1/1
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	
R C D Chitengu	3/3	3/3
Mr B Carette	4/4	
F H Ruwende	3/3	
D Jacquemond	3/3	3/3
Mr P Gowero	4/4	
Mr M Debrand	4/4	
Mr A.G. Barron	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 three 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.

Our GTI Initiative empowering farmers

A newly installed centre pivot at one of our GTI beneficiary maize seed grower

Land preparation for maize seed planting

Irrigation ensures a succesful crop

With the constant growth of our seed business, we are increasing the number of production sites that use irrigation enabling growers to meet demand.

Progress and key achievements

- All production sites put under GTI have increased yields per hectare by over 30%
- GTI has created more carryover stocks to take advantage of early opportunities next season
- We are training farmers on water and land use efficiency to help optimise agricultural production
- Better value creation and risk management on farms under GTI

Directors' Approval of Group Financial Statemets

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.

Preparation of financial statements

The preparation of the financial statements and the process thereto was done under the supervision of Mr. J Matorofa (PAAB No. 241) and under the guidance of the Directors of the Company, who are vested with the governance and responsibility for these financial statements as is provided for in terms of the common law, Companies Act [Chapter 24:03] and other legislative and regulatory requirements.

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 is appropiate.

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 finacial statements have been approved by the Board of Directors and are signed on its behalf by:-

J Matorofa

1 June 2017

Kenya highlands seed processing plant officially opened

Seed Co Chairman David Long officially opened the processing plant in Kenya

New plant complete and ready for production

Fully installed hi-tech packing equipment

Our investment in Kenya will ensure we can meet seed demand and increase market share in the region. Efficient production machines and lean initiatives at processing site has set high new standards for the industry.

Progress and key achievements

- The new plant will see an increase in market share.
- Installed seed dryers at the plant are to enhance operational excellence and the ability to deliver at high capacity.
- New plant to meet production targets and market responsiveness while reducing costs.
- We aim to set the industry standard for health, safety, environmental and quality performance.

EY
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Seed Co Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated and company financial statements of Seed Co Limited ("Seed Co") set out on pages 29 to 63, which comprise the group and company statement of financial position as at 31 March 2017, and the group and company statement of profit or loss and other comprehensive income, the group and company statement of changes in equity and the group and company statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and company financial statements present fairly, in all material respects, the consolidated and company financial position of Seed Co as at 31 March 2017, and its consolidated and company financial performance and its consolidated and company cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and company financial statements.

Key Audit Matter	How our audit addressed the matter
1.Trade and other receivables	
The Group carries a material balance of trade and other receivables on its financial statements and these are significant to the Group. Trade and other receivables amounted to $60.1 million as at 31 March 2017 and comprise the following categories: trade debtors, government debtors, seed grower advances and other receivables. **Government receivables** The debtors mainly comprise of seed sales to Governments in Botswana, Malawi, Zambia and Zimbabwe as well as advances to seed growers. The total amount owed by the Government to the all group companies amounts to $16,7million. Due to the significance of the balances, the allowance for credit losses is considered to be a matter of most significance as it requires the application of judgement and use of subjective assumptions by management. The assessment of the aging profiles to determine recoverability of trade and other receivables which are past due but not impaired involves a significant element of judgement. Refer to Note 15 to the consolidated annual financial statements.	We performed audit procedures for all categories of trade and other receivables which included: •Updated our understanding of the estimation and risk management processes relating to management of receivables and related provision for credit losses. •Where trade receivable balances are past due and management have not impaired these balances on the basis of customer commitments to payment plans we reviewed adherence to the payment plans and post year end movements in balances. •Re-computed the allowance for credit losses based on the group wide model and taking account of specific circumstances unique to some of the customers. •Obtained and reviewed lawyers' confirmations for matters handled during the year in relation to customer accounts. For Seed growers advances we performed audit procedures on the existence and recoverability of seed grower advances and these included the following; •Requesting confirmations from growers.

Key Audit Matter	How our audit addressed the matter
1.Trade and other receivables	
Seed Grower Advances As at year end seed grower balances are represented by growing crops and seed not yet delivered to Seed Co. Management judgement is required in determining the recoverability of these balances. Trade and other balances are therefore a key audit matter and are disclosed in Note 15 of the financial statements.	•Challenging the assumptions used in assessing impairment amount, through analysis of inspectorate yield rate reports, ageing of seed grower advances, assessment of significant overdue individual seed grower advances and performance history. •We also inspected legal documentation and reviewed post-year end receipts.
2. Deferred taxation	
During the audit of the Seed Co 31 March 2017 financial statements, an error was noted whereby realized and unrealised exchange gains for the years 2014 to 2016 were incorrectly treated for one of the subsidiaries in calculating taxable income and deferred tax, thus impacting the deferred tax calculation. As a result of this error, the amount of assessable tax loss, deferred tax and income tax for each of the years was misstated. We have considered this matter to be of significant importance as it required specialist input to quantify the error, and effect the required corrections. The audit team also spent a significant amount of time on the issue noted. Refer to note 30 for the detailed disclosure of the prior period error.	Our audit procedures were focused on determining the correct accounting and taxation treatment and the appropriate adjustment of the noted error. Our procedures included: •Review of management's income and deferred tax computation for the years 2014 to 2016 against the applicable tax laws and international accounting standards (IAS 12). •Evaluated the impact of the error on the financial statements and audit opinion in terms of the requirements of IAS 1, IAS 8 and ISA 700. •Involvement of our financial reporting specialists in the evaluation of whether the accounting treatment applied is consistent with IFRS. •We also reviewed the disclosures made by management in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report which we obtained prior to the date of this report. Other information does not include the consolidated and company financial statements and our auditor's report thereon.

Our opinion on the consolidated and company financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Company Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and company financial statements in accordance with International Financial Reporting Standards and the requirements of 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.

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

Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
In our opinion, the consolidated and company financial statements, have in all material respects, been properly prepared in compliance with the disclosure requirements of and in the manner required by the Companies Act (Chapter 24:03).

The engagement partner on the audit resulting in this independent auditor's report is Mr David Marange (PAAB Practising Certificate Number 0321).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Angwa City
Cnr Julius Nyerere Way/Kwame Nkrumah Avenue
P.O Box 702 or 62
Harare

9 June 2017

Consolidated and Company Statements of Profit or Loss

FOR THE YEAR ENDED 31 MARCH 2017

	Note	GROUP 2017 US$	GROUP restated* 2016 US$	COMPANY 2017 US$	COMPANY 2016 US$
Revenue		**134,574,106**	**95,956,909**	**3,175,233**	**14,638,395**
Cost of sales		(61,317,423)	(45,028,835)	-	-
Gross profit		**73,256,683**	**50,928,074**	-	-
Other (expense) / income	3.2	(98,379)	816,110	-	-
Operating expenses		(44,033,122)	(36,123,081)	(182,976)	(930,506)
Selling and distribution expenses		(12,088,045)	(10,400,215)	-	-
Administrative expenses		(24,394,763)	(19,024,646)	(182,976)	(930,506)
Research expenses		(7,550,314)	(6,698,220)	-	
Operating profit		**29,125,182**	**15,621,103**	**2,992,257**	**13,707,889**
Finance income	3.4	1,695,090	2,394,858	25,866	95,730
Finance cost	3.5	(4,117,132)	(1,937,621)	-	-
Share of profit of associates	9	395,468	201,581	-	
Profit before tax		**27,098,608**	**16,279,921**	**3,018,123**	**13,803,619**
Income tax expense	4.1	(6,388,878)	(1,630,659)	-	(288,998)
Profit for the year		**20,709,730**	**14,649,262**	**3,018,123**	**13,514,621**
Attributable to:					
Equity holders of the parent		20,709,730	14,649,262	3,018,123	13,514,621
Non-controlling interest		-	-	-	-
Profit attributable to shareholders		**20,709,730**	**14,649,262**	**3,018,123**	**13,514,621**

	Note	GROUP 2017	GROUP restated* 2016
Earnings per share			
Basic, earnings for the year attributable to ordinary equity holders of the parent - cents	17.4	8.77	6.25
Diluted, earnings for the year attributable to ordinary equity holders of the parent - cents	17.4	8.73	6.25

Consolidated and Company Statements of Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2017

	Note	GROUP 2017 US$	GROUP restated* 2016 US$	COMPANY 2017 US$	COMPANY 2016 US$
Profit for the year		20,709,730	14,649,262	3,018,123	13,514,621
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		3,500,153	(23,706,079)	-	-
		3,500,153	**(23,706,079)**		
Items that will not be reclassified subsequently to profit or loss:					
Revaluation of property, plant and equipment	6	-	10,635,658	-	-
Income tax effect	4.1	-	(3,010,800)	-	-
Impairment of property, plant and equipment		-	(408,732)	-	-
Income tax effect	4.1	-	101,161	-	-
		-	**7,317,287**	-	-
Other comprehensive income / (loss) for the year, net of tax		**3,500,153**	**(16,388,792)**	-	-
Total comprehensive income / (loss) for the year		**24,209,883**	**(1,739,530)**	**3,018,123**	**13,514,621**
Attributable to:					
Equity holders of the parent		24,209,883	(1,739,530)	3,018,123	13,514,621
Non-controlling interest		-	-	-	-
		24,209,883	**(1,739,530)**	**3,018,123**	**13,514,621**

*refer to note 30

Consolidated and Company Statements of Financial Position

AS AT 31 MARCH 2017

	Note	Group 2017 US$	Group restated* 2016 US$	Company 2017 US$	Company 2016 US$
ASSETS					
Non-current assets					
Property, plant and equipment	6	65,568,600	62,145,127	-	-
Deferred tax asset	4.3	618,774	339,419	-	-
Investment in subsidiaries	10	-	-	57,292,880	55,592,880
Investment in associates	9	3,738,729	3,743,261	-	-
Goodwill	12	264,472	264,472	-	-
Loans and receivables	8	19,448,259	30,889,336	-	-
		89,638,834	**97,381,615**	**57,292,880**	**55,592,880**
Current assets					
Inventories	13	24,997,633	28,994,690	-	-
Biological assets	14	250,022	632,082	-	-
Trade and other receivables	15	63,503,105	52,870,050	4,005,697	1,534,099
Amounts owed by group companies	11	-	-	165,437	4,752,099
Cash and cash equivalents	16	55,290,579	19,514,900	-	-
		144,041,339	**102,011,722**	**4,171,134**	**6,286,198**
Total assets		**233,680,173**	**199,393,337**	**61,464,014**	**61,879,078**
EQUITY AND LIABILITIES					
Equity					
Share capital	17.2	236,233	234,449	236,233	234,449
Changes in owership reserve		190,277	190,277	-	-
Non-distributable reserves	18	25,759,991	24,350,900	42,896,308	44,806,072
Retained earnings		137,692,044	118,326,223	18,006,213	16,513,297
Total equity		**163,878,545**	**143,101,849**	**61,138,754**	**61,553,818**
Non-current liabilities					
Deferred tax liability	4.3	7,067,391	7,266,094	325,260	325,260
Long term loans	19	270,950	1,274,998	-	-
		7,338,341	**8,541,092**	**325,260**	**325,260**
Current liabilities					
Bank borrowings	20	37,160,861	28,546,081	-	-
Trade and other payables	21	16,262,165	14,406,862	-	-
Provisions	21.1	6,212,608	4,651,789	-	-
Current tax payable		2,827,653	145,664	-	-
		62,463,287	**47,750,396**	**-**	**-**
Total liabilities		**69,801,628**	**56,291,488**	**325,260**	**325,260**
Total equity and liabilities		**233,680,173**	**199,393,337**	**61,464,014**	**61,879,078**

*refer to note 30

Consolidated and Company Statements of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2017

		Group		Company	
	Note	2017 US$	2016 US$	2017 US$	2016 US$
Operating activities					
Profit before tax		27,098,608	16,279,921	3,018,123	13,803,619
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation		3,377,906	2,875,052	-	-
Share based payments expense		-	86,920	-	86,920
(Profit) / Loss on disposal of property plant and equipment		(122,269)	57,793	-	-
Share of profit from associate		(395,468)	(201,581)	-	-
Allowances for credit losses		5,410,328	957,990	-	-
Unrealised exchange losses / (gains)		561,706	(673,612)	-	-
Impairment of investment in subsidiaries		-	-	-	343,175
Provisions		1,560,819	(1,449)	-	-
Fair value adjustment of biological assets		-	119,274	-	-
Fair value adjustment of investment property		-	18,220	-	-
Finance income		(1,695,090)	(2,394,858)	(25,866)	(95,730)
Finance cost		4,117,132	1,937,621	-	-
Net cash flows before working capital changes		**39,913,672**	**19,061,291**	**2,992,257**	**14,137,984**
Working capital adjustments:					
Decrease / (increase) in inventories		3,997,058	(14,111,860)	-	-
Increase in trade and other receivables		(8,322,059)	(9,754,564)	-	-
Decrease / (increase) in amounts owed by group companies		-	-	2,886,662	(9,707,502)
Decrease / (increase) in seed grower advances		139,874	(412,427)	-	-
(Increase) / decrease in prepayments		(1,429,078)	3,348,459	(1,449,808)	-
Increase in trade and other payables		1,855,303	263,537	-	-
Cash generated from / (utilised in) operations		36,154,770	(1,605,564)	4,429,111	4,430,482
Income tax paid		(7,438,126)	(5,815,915)	-	(288,998)
Net cash flows from operating activities		**28,716,644**	**(7,421,479)**	**4,429,111**	**4,141,484**
Investing activities					
Proceeds from sale of property, plant and equipment		398,116	275,235	-	-
Purchase of property, plant and equipment		(6,295,628)	(5,787,968)	-	-
Proceeds from sale of loans and receivables		10,434,814	-	-	-
Dividends received from associate		400,000	-	-	-
Acquisition of subsidiary	29	-	(1,796,999)	-	(1,796,999)
Decrease in biological assets		382,060	185,879	-	-
Interest received		1,695,090	2,394,858	25,866	-
Net cash flows generated by / (utilised in) investing activities		**7,014,452**	**(4,728,995)**	**25,866**	**(1,796,999)**
Financing activities					
Proceeds from exercise of share options		233,992	-	233,992	-
Dividend paid		(4,688,969)	(2,344,485)	(4,688,969)	(2,344,485)
Long term loan repaid		(1,004,048)	(964,631)	-	-
Interest paid		(3,110,869)	(1,937,621)	-	-
Net cash flows utilised in financing activities		**(8,569,894)**	**(5,246,737)**	**(4,454,977)**	**(2,344,485)**
Net increase / (decrease) in cash and cash equivalents		27,161,202	(17,397,211)	-	-
Effects of exchange rate changes on cash and cash equivalents		(303)	(146,194)	-	-
Cash and cash equivalents at beginning of year		(9,031,181)	8,512,224	-	-
Cash and cash equivalents at end of year	16	**18,129,718**	**(9,031,181)**	**-**	**-**

Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED 31 MARCH 2017

	Attributable to owners of the parent				
	Share capital (note 17)	Non-distributable reserves (note 18)	Retained earnings	Changes of ownership Reserve	Total
	US$	US$	US$		US$
As at 31 March 2015	**234,449**	**41,208,865**	**106,169,213**	**190,277**	**147,802,804**
Restatement due to prior period error (note 30)	-	-	(681,478)	-	**(681,478)**
Restated at 31 March 2015	**234,449**	**41,208,865**	**105,487,735**	**190,277**	**147,121,326**
Profit for the year	-	-	14,649,262	-	**14,649,262**
Other comprehensive income	-	(16,388,792)	-	-	**(16,388,792)**
Total comprehensive income	-	(16,388,792)	14,649,262	-	**(1,739,530)**
Dividend	-	-	(2,344,485)	-	**(2,344,485)**
Realisation of revaluation reserve through use	-	(533,711)	533,711	-	-
Share based payments	-	64,538	-	-	**64,538**
As at 31 March 2016	**234,449**	**24,350,900**	**118,326,223**	**190,277**	**143,101,849**
Profit for the year	-	-	20,709,730	-	**20,709,730**
Other comprehensive income	-	3,500,153	-	-	**3,500,153**
Total comprehensive income	-	3,500,153	20,709,730	-	**24,209,883**
Dividend	-	-	(4,688,969)	-	**(4,688,969)**
Share options exercised	1,784	1,253,998	-	-	**1,255,782**
Realisation of revaluation reserve through use	-	(181,298)	181,298	-	-
Transfer to retained earnings	-	(3,163,762)	3,163,762	-	-
As at 31 March 2017	**236,233**	**25,759,991**	**137,692,044**	**190,277**	**163,878,545**

Company Statement of Changes in Equity

FOR THE PERIOD ENDED 31 MARCH 2017

	Share capital (note 17)	Non-distributable reserves (note 18)	Retained earnings	Total
	US$	US$	US$	**US$**
As at 31 March 2015	**234,449**	**44,741,534**	**5,343,161**	**50,319,144**
Profit for the period	-	-	13,514,621	**13,514,621**
Total comprehensive income	-	-	13,514,621	**13,514,621**
Dividend	-	-	(2,344,485)	**(2,344,485)**
Share based payment	-	64,538	-	**64,538**
As at 31 March 2016	**234,449**	**44,806,072**	**16,513,297**	**61,553,818**
Profit for the period	-	-	3,018,123	**3,018,123**
Total comprehensive income	-	-	3,018,123	**3,018,123**
Transfer to retained earnings	-	(3,163,762)	3,163,762	**-**
Dividend	-	-	(4,688,969)	**(4,688,969)**
Share options exercised	1,784	1,253,998	-	**1,255,782**
As at 31 March 2017	**234,449**	**42,896,308**	**18,006,213**	**61,138,754**

Notes to the Financial Statements

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, Nigeria, Tanzania, Rwanda, 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 2017 were authorised for issue in accordance with a resolution of the directors on 1 June 2017.

2. Basis of preparation
The financial statements are based on the statutory records that are maintained on the historical cost convention, except for property, plant and equipment, biological assets and investment property which are measured at fair value.

2.1. Basis of 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 2017. Subsidiaries are fully consolidated from the date of acquisition, being 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 investee (i.e. existing rights that give it the current liability 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 an 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 the investee, including:

- The contractual agreement with the other vote holders of 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 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 loss of control, is accounted for as an equity transaction. If the Group losses 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 the investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents share of components previously recognised 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. The pronouncements and amendments which became effective on 1 April 2016 did not have a material 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
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.

Notes to the Financial Statements cont...

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers replaces all existing 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 2018, but early adoption is permitted. The Group is still assessing the impact of the standard on its contracts with customers.

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.

In December 2016, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. These amendments are not expected to have any impact on the Group.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Early application is permitted. The amendment is effective for year ends beginning on or after 1 January 2017 and will result in additional disclosures in the financial statements that will provide information to help investors better understand changes in the Group's debt.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12

The IASB issued the amendments to IAS 12 Income Taxes to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explains in which circumstances taxable profit may include the recovery of some assets for more than their carrying amount.

The amendment is effective for year ends beginning on or after 1 January 2017 and is not expected to impact the Group as it currently does not have any debt instruments measured at fair value.

IFRS 16 Leases

The International Accounting Standards board (IASB) issued IFRS 16 in January 2016 which requires lessees to recognize assets and liabilities for most leases on their balance sheets. Under the new standard, a lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. To be a lease, a contract must convey the right to control the use of the identified asset, which could be a physically distinct portion of an asset.

The standard will be effective for annual periods beginning on or after 1 January 2019.The Group is still assessing the impact of the standard.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

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

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Notes to the Financial Statements cont...

The amendments are effective for annual periods beginning on or after1 January 2018. The adoption of the interpretation will not have an impact on the Group but the Group will consider the amendment when accounting for future foreign currency transactions where applicable. The Group will consider the amendments, if applicable, when they become effective.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraph B10 –B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Asset Held for Sale and Discontinued Operations.

The amendments are effective for annual financial statements for periods beginning on or after 1 January 2018). The Group will consider the amendments, if applicable, when they become effective.

IAS 28 – Investments in Associates and Joint Ventures

IAS 28 clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis upon initial recognition.

The amendments are effective for annual financial statements for periods beginning on or after 1 January 2017. The Group will consider the amendments, 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 results in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key resources of estimation uncertainty at the statement of financial position 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 necessary. Refer to note 6 for the useful lives of property, plant and equipment and for the carrying amount 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 values. The following methods and assumptions were adopted by the professional valuer:

Land and Buildings: fair values were determined using the cost approach.

Plant and equipment: values were determined using the cost approach using the depreciated replacement cost of the assets.
Refer note 6 for more information on the estimates and assumptions used to determine the fair value of property, plant and equipment and the carrying amount of property, plant and equipment.

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 2016, with reference to market transaction prices of similar properties, adjusted for any differences in location and condition.

iii. Allowances for credit losses

The Group assesses at the end of each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred.
The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets.

Refer to note 15 for more information on the on the estimates and assumptions used to determine the allowance for credit losses.

Notes to the Financial Statements cont...

iv. 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 information on share based payments.

v. 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 for more information on taxation.

vi) Biological assets

The Group measures biological assets which comprise of growers crops at fair value. Refer to note 14 for the carrying amount of biological assets and the assumptions and estimates used to determine the fair value.

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 and 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 or 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 acquire 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. Refer to note 29 for more information.

Investments in subsidiaries in the company financial statements are measured at cost. Refer to note 10 for more information on the investment in subsidiaries.

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 the 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.

Notes to the Financial Statements cont...

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 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 subsequent to 1 January 2005 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 equity is recognised in other comprehensive income 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 associates and interests in joint ventures. 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 unused tax credits and unused tax losses to the extent that it is probable that the taxable profit will be available against 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 and 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 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 foreseeable right exists to set off current tax assets against current income tax liabilities and the deferred income tax relates to the same taxable entity and the same taxation authority.

Notes to the Financial Statements cont...

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 cost or 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.

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 exceeds 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 the 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 reserves, 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 arm's length transaction.

ii. Transfers to and from investments 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.

Notes to the Financial Statements cont...

iii. Derecognition
Investment property is derecognised when either they have 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
Biological assets comprise of growing crops. At initial recognition, biological assets are valued at fair value. Fair value of the biological assets is determined by reference to the average theoretical life span of crops and the prevailing market prices. The stock is evaluated in terms of its respective life span at the reporting date and consideration given to the crops that will germinate and pass the purity test. On that basis, an indicative value is established using the prevailing local and international market prices for the respective products. Fair value movements of the biological assets are recognized in profit or loss.

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.

j) 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.

k) Retirement benefits
Retirement benefits are provided for Group employees through self-administered defined contribution funds and the National Social Security Authority in the respective countries. 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.

Notes to the Financial Statements cont...

l) 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.

m) 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.

n) 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.

o) Financial instruments

The Group's financial assets are classified loans and receivables and financial liabilities are classified as liabilities at amortised cost. Classification depends on the nature and purpose of the financial assets 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 attribute able transaction costs, when the Group has rights or other access to economic benefits. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and 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.

Loans are receivables comprise of cash and cash equivalents, trade receivables, other receivables and loans and receivables.

Impairment of financial assets

The Group assess at each reporting date whether there is any objective 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 the asset (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 difficult, 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.

Notes to the Financial Statements cont...

Financial assets carried at amortised cost

For financial assets carried at amortized 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 occurring 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 the finance costs 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 and bank overdrafts. Subsequent 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 income statement when the liabilities are derecognised as well as through the EIR amortisation process. Trade and other payables, bank borrowings and long term loans are classified as loans and borrowings.

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 liability 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

Financial assets and liabilities are offset if a legally enforceable right exists to set-off and the Group intends to settle the relevant financial assets and liabilities on a net basis.

p) Fair value measurement

The Group measures non-financial assets such as property, plant and equipment, biological assets and investment 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.

Notes to the Financial Statements cont...

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 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 an active market for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to their 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.

q) 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 to sell 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 or 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. The reversal of an impairment loss of assets carried at costs less accumulated depreciations or amortisation is recognised immediately in income statement. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

r) 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.

s) Segment reporting
The operating businesses are managed separately according to the country that they operate in, with each segment representing a strategic business unit that operates in the same geographical area. For reporting purposes, the Group has aggregated operating segments into two reportable segments based on geographical location. Refer to Note 28 for more information.

t) Current versus non-current classification
The Group presents assets and liabilities in 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 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 equivalent 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.

Notes to the Financial Statements cont...

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.

u) Investments in associates

The Group's investments in associates are accounted for using the equity method of accounting. Associates are entities in which the Group exercises significant influence and which are neither subsidiaries nor jointly controlled operations. Under the equity method, investments in associates are initially carried in the statement of financial position at cost. Subsequently, the investments in associates are carried at cost plus post-acquisition changes in the Group's share of the reserves of the associates less dividends received from the associates. Goodwill relating to an associate is included in the carrying amount of the investment. The statement of comprehensive income reflects the share of the results of operations of the associates attributable to the Group.

Where there have been changes recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss. Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence, and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

Notes to the Financial Statements cont...

	Group 2017 US$	Group 2016 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	861,732	764,951
- plant and machinery	837,384	690,813
- motor vehicles	1,361,770	1,129,691
- office furniture and equipment	317,020	289,597
	3,377,906	**2,875,052**
3.2 Other (expense) / income		
Commissions received	189	7,383
Profit / (loss) on sale of property, plant and equipment	122,269	(57,793)
Unrealised exchange gains	(561,706)	673,612
Realised exchange losses	(1,495,522)	(277,664)
Rental income	49,929	41,200
Sweepings and non-seed income	745,870	447,592
Change in fair value of investment properties (Note 7)	-	(18,220)
Sundry income	1,040,592	-
	(98,379)	**816,110**

Included in sundry income are items such as consultancy fees, export incentive, bad debts recovered and compensation for insurance claims

	Group 2017 US$	Group 2016 US$
3.3 After charging the following:		
Directors' emoluments:		
- for services as directors	225,830	194,409
- for managerial services	733,596	733,596
Audit fees	488,194	306,558
Fair value adjustment of biological assets	-	119,274
Employee benefits expense:		
- Salaries and wages	12,971,107	15,552,396
- Social security costs	144,065	660,019
- Pension costs - defined contribution plan	901,261	838,566
- Medical benefits expenses	448,708	441,212
- Share based payments	-	86,920

	Company 2017	Company 2016
Administrative expenses		
Share based payments	-	86,920
Impairment of investment in subsidiaries	-	343,175
Legal and secretarial costs	182,976	500,411

	Group 2017	Group 2016
3.4 Finance income		
Interest on bank deposits	1,175,090	2,307,515
Interest on accounts receivables	520,000	87,343
	1,695,090	**2,394,858**
3.5 Finance cost		
Interest on borrowings	3,110,869	1,674,086
Discount on treasury bills	1,006,263	-
Interest on unpaid invoices	-	263,535
	4,117,132	**1,937,621**

Notes to the Financial Statements cont...

	Group 2017 US$	Group Restated* 2016 US$	Company 2017 US$	Company 2016 US$
4. TAX				
4.1 Current income tax:				
Current income tax charge	7,136,209	3,034,723	-	-
Withholding tax	-	288,998	-	288,998
Deferred income tax credit	(747,331)	(1,693,062)	-	-
Income tax expense reported in the income statement	**6,388,878**	**1,630,659**	**-**	**288,998**
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	-	3,010,800	-	-
Impairment of property, plant and equipment	-	(101,161)	-	-
Income tax charged directly to other comprehensive income	**-**	**2,909,639**	**-**	**-**

4.2 Reconciliation of current tax charge

	Group 2017 US$	Group Restated* 2016 US$
Accounting profit before tax	**27,098,608**	**16,279,921**
Statutory tax rate + AIDS/development levy	25.75%	25.75%
Income tax at statutory rate	6,977,891	4,192,080
Effect of revenue that is exempt from tax	(836,017)	(577,606)
Effect of revenue that is taxed at special rates	146,630	-
Effect of expenses that are not deductible in determining taxable profit	3,197,153	17,063
Utilisation of previously unrecognised tax losses	(1,468,996)	(1,476,173)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1,627,783)	(1,293,056)
Prior period adjustment	-	768,351
At the effective rate of 24% (2016: 5%)	**6,388,878**	**1,630,659**
Income tax expense reported in the income statement	**6,388,878**	**1,630,659**

4.3 Deferred tax

Group

Deferred tax relates to the following:

	Consolidated statement of financial position 2017 US$	Consolidated statement of financial position Restated* 2016 US$	Consolidated income statement 2017 US$	Consolidated income statement 2016 US$
Accelerated depreciation for tax purposes	8,937,750	5,748,358	1,202,548	(1,841,959)
Exchange gains/losses	(23,189)	1,449,830	(353,412)	768,351
Provisions	(517,122)	-	(14,853)	-
Share based payment reserve	-	325,260	-	(22,681)
Losses available for offsetting future taxable income	(1,948,822)	(596,773)	(1,581,614)	(596,773)
Net deferred tax	**6,448,617**	**6,926,675**	**(747,331)**	**1,693,062**
Reflected in the statement of financial positions as follows:				
Deferred tax assets	(618,774)	(339,419)		
Deferred tax liability	7,067,391	7,266,094		
Deferred tax liability net	**6,448,617**	**6,926,675**		

Deferred tax assets relates to assessed losses in Niculata Investment (Private) Limited t/a Prime seed and Seed Co Rwanda 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, Niculata Investment (Private) Limited t/a Prime seed and Seed Co Rwanda Limited will make taxable profits in the immediate future. The current year losses were due to once off restructuring expenses which will not recur. These expenses were incurred to align the companies with the overall group structure. Management has implemented strategies around the product mix, reduction of costs, increasing sales and market share which will bring these companies back to profitability. Unutilised tax losses amounted to $1,948,822 and they will expire after 5 years.

Company

Deferred tax relates to the following:

	Company statement of financial position 2017 US$	Company statement of financial position 2016 US$
Share based payment reserve	325,260	325,260
Deferred tax liability	**325,260**	**325,260**

Notes to the Financial Statements cont...

5 ORDINARY DIVIDENDS

	Group and Company 2017 US$	2016 US$
Proposed dividend for 2017: 2.92 cents per share (2016: 2.00 cent per share)	6,897,991	4,688,969
Proposed special dividend for 2017: 1.46 cents per share (2016: nil)	3,448,995	-
	10,346,986	4,688,969

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. A dividend of 4.38 cents per share (2016: 2 cent per share) amounting to US$10,346,986 (2016: US$4,688,969) was paid during the year (refer to consolidated and company statements of changes in equity).

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 2015	59,881,650	16,522,220	9,360,668	2,213,438	87,977,976
Additions	500,002	2,473,778	1,939,419	874,769	5,787,968
Revaluation	9,162,504	944,839	528,315	-	10,635,658
Transfer from investment property (Note 7)	286,500	-	-	-	286,500
Disposals	(243,626)	-	(410,314)	(17,194)	(671,134)
Exchange adjustment	(5,392,704)	(5,141,175)	(1,037,860)	(432,375)	(12,004,114)
At 31 March 2016	**64,194,326**	**14,799,662**	**10,380,228**	**2,638,638**	**92,012,854**
Additions	2,239,797	2,005,130	1,481,843	568,858	6,295,628
Disposals	(58,639)	(303,743)	(387,599)	(23,816)	(773,797)
Exchange adjustment	887,743	98,511	108,294	45,986	1,140,534
At 31 March 2017	**67,263,227**	**16,599,560**	**11,582,766**	**3,229,666**	**98,675,219**
At 31 March 2015	**18,113,438**	**5,258,447**	**4,854,418**	**1,393,833**	**29,620,136**
Depreciation charge for the year	764,951	690,813	1,129,691	289,597	2,875,052
Revaluation loss	(388,847)	(6,572)	(13,313)	-	(408,732)
Exchange adjustment	(363,930)	(966,731)	(201,307)	(290,863)	(1,822,831)
Disposals	(255,243)	-	(123,461)	(17,194)	(395,898)
At 31 March 2016	**17,870,369**	**4,975,957**	**5,646,028**	**1,375,373**	**29,867,727**
Depreciation charge for the year	861,732	837,383	1,361,770	317,020	3,377,906
Exchange adjustment	73,904	179,394	73,584	32,055	358,937
Disposals	(6,729)	(176,652)	(299,182)	(15,388)	(497,951)
At 31 March 2017	**18,799,276**	**5,816,083**	**6,782,200**	**1,709,060**	**33,106,619**
Net book value					
At 31 March 2017	48,463,951	10,783,477	4,800,566	1,520,606	65,568,600
At 31 March 2016	46,323,957	9,823,705	4,734,200	1,263,265	62,145,127

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

	2017 US$	2016 US$
Freehold land and buildings	30,156,925	15,919,882
Plant and machinery	5,071,966	8,985,778
Motor vehicles	4,666,152	5,681,238
Office furniture and equipment	1,001,036	1,612,415
	40,896,079	**32,199,313**

As at 31 March 2017, 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 2016, there was no impairment on property, plant and equipment.

Borrowing costs of $nil (2016: $nil) were capitalised during the year on the qualifying expenditure.

Measurement of fair values

Valuation process

The group engages independent valuers who are registered, qualified and experienced for the purpose of determining fair values of the property, plant and equipment.

Land and buildings

Asset Class	Valuation technique	Significant unobservable inputs	Range (2017)	Range (2016)	Narrative sensitivity
Land and buildings	Market approach	Price per square metre (sqm)	US$ 450-US$ 1,200	US$ 450-US$ 1,200	Increase/ decrease in price per sqm, rental per sqm results in an increase/ decrease in fair value
		Rentals per square metre	US$10-US$12	US$10-US$12	
		Prime yield	8%-12%	8%-12%	Increase/ decrease in prime yield result in a decrease/ increase in fair value

Notes to the Financial Statements cont...

Motor vehicles, plant and equipment

Asset Class	Valuation Technique	Significant Unobservable Inputs	Range (2017)	Range (2016)	Narrative Sensitivity
Plant and Machinery	Cost approach	Adjustments for obsolescence	-	-	Increase/ decrease in the cost of replacing the asset results in an increase/ decrease in fair value
		Cost of replacing the asset	-	-	
		Estimated remaining life	5 - 20years	5 - 20years	
Motor vehicles	Cost approach	Adjustments for obsolescence	-	-	
		Cost of replacing the asset	-	-	
		Estimated remaining life	1 - 5years	1 - 5years	

Fair value hierarchy

31 March 2017

	Level 1 USD	Level 2 USD	Level 3 USD	**Total USD**
Commercial properties	-	-	48,463,951	**48,463,951**
Plant and machinery	-	-	10,783,477	**10,783,477**
Motor vehicles	-	-	4,800,566	**4,800,566**
Furniture and equipment	-	-	1,520,606	**1,520,606**

31 March 2016

	Level 1 USD	Level 2 USD	Level 3 USD	**Total USD**
Commercial properties	-	-	46,323,956	**46,323,956**
Plant and machinery	-	-	9,823,704	**9,823,704**
Motor vehicles	-	-	4,734,200	**4,734,200**
Furniture and equipment	-	-	1,263,268	**1,263,268**

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

7 INVESTMENT PROPERTIES

	GROUP 2017 US$	**2016 US$**
Balance at beginning of year	-	304,720
Fair value adjustment	-	(18,220)
Transfer to property, plant and equipment	-	(286,500)
Balance at the end of year	**-**	**-**

The Group's investment properties consisted 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. At 31 March 2016 the investment property became owner occupied and was transferred to property, plant and equipment.

8 LOANS AND RECEIVABLES

	GROUP 2017 US$	**2016 US$**
- Treasury bills	14,870,606	29,843,826
- Long term receivables	3,170,450	-
- ZB Bank	885,448	850,405
- Stanbic Bank	365,000	195,105
- FBC Bank	156,755	-
Total	**19,448,259**	**30,889,336**

Treasury bills attract interest at 5% per annum and mature in three to five years. The treasury bills were received as a settlement for amounts owed by Government. The long term receivables relate to loans advanced to growers to acquire irrigation equipment for their farms. The long term receivables mature over a three year period. The ZB Bank, Stanbic Bank and FBC Bank investments attract interest at 8% per annum and mature in 10 years time.

Notes to the Financial Statements cont...

	Group 2017 US$	Group 2016 US$

9 INVESTMENT IN ASSOCIATES

9.1 Reconciliation of movements in associates

	2017 US$	2016 US$
Balance at the beginning of the year	3,743,261	3,541,680
Dividend paid by associate	(400,000)	-
Equity accounted profit	395,468	201,581
Balance at the end of the year	**3,738,729**	**3,743,261**

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.

Reconciliation of the investment in associate	2017 US$	2016 US$
Balance at the beginning of the year	3,743,261	3,282,920
Dividend paid by associate	(400,000)	-
Equity accounted profit	395,468	460,341
Balance at the end of the year	**3,738,729**	**3,743,261**

Below is a reconciliation of share of net assets to carrying amount of investment:

	2017 US$	2016 US$
Net assets	9,346,822	9,358,153
Share of net assets	3,738,729	3,743,261
Carrying amount of investment	**3,738,729**	**3,743,261**

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. The carrying amount is nil because of accumulated losses.

Reconciliation of the investment in associate	2017 US$	2016 US$
Balance at the beginning of the year	-	-
Fair value of investment retained on loss of control of subsidiary	-	-
Equity accounted loss	-	-
Balance at the end of the year	**-**	**-**

In the current year, losses amounting to US$126,101 (2016: US$ 439,810) were not recognised since the carrying amount of the investment in associate was nil. The cumulative losses not recognised to date amount to US$565,911 (2016: $439,810).

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.

Reconciliation of the investment in associate	2017 US$	2016 US$
Balance at the beginning of the year	-	258,760
Fair value of investment retained on loss of control of subsidiary	-	-
Equity accounted loss	-	(258,760)
Balance at the end of the year	**-**	**-**

In the current, losses amounting to US$363,977 (2016: US$42,711) were not recognised since the carrying amount of the investment in associate was nil. The cumulative losses not recognised to date amount to US$406,688 (2016: $42,711).

9.5 Summarised financial information of associates

	Revenue	Profit/ (loss) after tax	Total comprehensive income/ (loss)	Non-current assets	Current assets	Non-current liabilities	Current liabilities
	USD	USD	USD	USD	USD	USD	USD
Quton Zimbabwe (Private) Limited							
31 March 2017	**10,282,371**	**988,669**	**988,669**	**2,991,415**	**7,251,327**	**-**	**895,920**
31 March 2016	**12,145,706**	**1,150,853**	**1,150,853**	**3,344,134**	**6,671,203**	**-**	**657,184**
Quton Malawi (Private) Limited							
31 March 2017	**705,551**	**(315,252)**	**(315,252)**	**382,343**	**1,059,871**	**-**	**4,605,082**
31 March 2016	**1,199,182**	**(1,099,526)**	**(1,099,526)**	**528,222**	**2,041,230**	**-**	**4,398,988**
Quton Tanzania (Private) Limited							
31 March 2017	**230,322**	**(1,213,256)**	**(1,213,256)**	**654,316**	**2,227,010**	**-**	**5,940,849**
31 March 2016	**51,930**	**(1,004,906)**	**(1,004,906)**	**841,842**	**3,177,099**	**-**	**5,902,791**

Notes to the Financial Statements cont...

10 INVESTMENT IN SUBSIDIARIES

	Company 2017 US$	Company 2016 US$
Unquoted shares at cost		
- Seed Co Zambia International Limited	16	16
- Seed Co International Limited	18,584,875	18,584,875
- Niculata Investments Private Limited t/a Prime Seed	3,750,000	2,050,000
- Seed Co Zimbabwe (Private) Limited	34,683,285	34,683,285
- Quton Seed Company (Private) Limited	274,704	274,704
	57,292,880	**55,592,880**

Increased investment in Niculata Investments (Private) Limited t/a Prime Seed was as a result of capitalisation of amounts owed to Seed Co Limited.

11 AMOUNTS OWED BY GROUP COMPANIES

	Company 2017 US$	Company 2016 US$
- Seed Co Zimbabwe (Private) Limited	165,437	4,752,099
	165,437	**4,752,099**

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

12 GOODWILL

	Group 2017 US$	Group 2016 US$
Cost		
Balance at beginning of year	264,472	-
Aquisition of subsidiary (note 29)	-	264,472
Balance at the end of year	264,472	264,472

The Goodwill above relates to the Prime Seed Cash Generating Unit (CGU).The Group performed its annual impairment test as at 31 March 2017. The recoverable amount of the Prime 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 8% and cashflows beyond the five-year period were extrapolated using a 5% growth rate.

13 INVENTORIES

	Group 2017 US$	Group 2016 US$
Parent and commercial seed	19,096,132	23,509,558
Spares and general consumables	5,811,902	4,106,886
Goods in transit	89,599	1,378,246
Total of inventories at lower of cost and net realisable value	**24,997,633**	**28,994,690**

The cost of inventories expensed through cost of sales during the year was US$46,052,663 (2016: US$ 33,819,065). The amount of write down of inventories recognised as an expense is US$2,429,832 (2016 : US$1,220,389) which is also included in cost of sales. Inventories amounting to US$4,500,000 (2016 : US$4,500,000) have been ceded as security for borrowing facilities.

Notes to the Financial Statements cont...

14 BIOLOGICAL ASSETS

	Group 2017 US$	Group 2016 US$
Crops		
Cost		
Balance at beginning of year	632,082	817,961
Increases due to new plantings	250,022	751,356
Harvested plants transferred to inventories	(632,082)	(817,961)
Fair value adjustment	-	(119,274)
Balance at the end of year	**250,022**	**632,082**
Current (due for sale/disposal within 12 months)	250,022	632,082

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. The biological assets have a short life cycle of less than one year. The fair value was determined but it approximated to cost hence no fair value adjustment was recorded in the current year.

14.1 MEASUREMENT OF FAIR VALUES

Valuation Process

The group engages independent consultants (agronomists) to determine the estimated yield of seed crops in the field. The finance department then determine the fair value of the biological assets by applying the market price per tonne to the estimated yield. The Group Finance Director reviews the fair value calculated for reasonableness.

Valuation Technique

Type	Valuation technique	Significant unobservable inputs	Range (2017)	Range (2016)
Crops - Comprising of foundation seed and certified seed.	Market comparison technique. The valuation model is based on the price per tonne of seed multiplied by expected yield.	Price per tonne	\$783 - \$2,031	\$783 - \$2,031
		Germination and purity probability	95% - 100%	95% - 100%
		Expected yield	90% - 100%	90% - 100%

Fair Value Hierarchy

	Level 1	Level 2	Level 3	Total	Fair value loss
31 March 2017					
Crops	-	-	250,022	250,022	-
Total	**-**	**-**	**250,022**	**250,022**	**-**
31 March 2016					
Crops	-	-	632,082	632,082	119,274
Total	**-**	**-**	**632,082**	**632,082**	**119,274**

Sensitivity

Significant increase/(decrease) in price per tonne in isolation would result in a significantly higher or lower fair value measurement
Significant increase/(decrease) in expected yield in isolation would result in a significantly higher or lower fair value measurement

14.2 COMMITMENTS FOR THE DEVELOPMENT OR ACQUISITION OF BIOLOGICAL ASSETS

The Group had not committed itself to acquiring any biological assets.

15 TRADE AND OTHER RECEIVABLES

	Group 2017 US$	Group 2016 US$
Trade receivables	41,780,411	42,175,432
Prepayments	5,687,122	4,258,044
Seed grower advances	6,296,700	6,436,574
Other receivables	9,738,872	-
	63,503,105	**52,870,050**

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

Other receivables include short-term portion of treasury bills maturing in the next twelve months amounting to US\$3,374,360 (2016: US\$nil). For more details on treasury bills; please refer to note 8. Other items included in other receivables include sundry debtors, staff loans and VAT claims outstanding.

Notes to the Financial Statements cont...

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	**2017**	41,780,411	8,224,728	1,788,395	5,744,525	26,022,763
Total	**2016**	42,175,432	9,467,883	3,552,024	5,579,238	23,576,287

See note 25.4 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$ 7,831,695 (2016: US$ 2,437,254). The movement in the credit losses is as shown below:

	Group 2017	2016
	US$	US$
Movement in the allowance for credit losses		
Balance at beginning of the year	2,437,254	4,847,668
Charge for year	5,410,328	1,077,263
Utilised for year	(15,887)	(3,487,677)
Balance at the end of the year	**7,831,695**	**2,437,254**

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 90 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 2017	2016
	US$	US$
Cash at bank and on hand	23,556,135	15,008,525
Short-term deposits	31,734,444	4,506,375
	55,290,579	**19,514,900**

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 2017	2016
	US$	US$
Cash at bank and on hand	23,556,135	15,008,525
Short-term deposits	31,734,444	4,506,375
Bank overdrafts and short term borrowings (Note 20)	(37,160,861)	(28,546,081)
Net cash / (debt)	**18,129,718**	**(9,031,181)**

Notes to the Financial Statements cont...

17 SHARE CAPITAL	Group and Company 2017 Number	2016 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	234,448,466	234,448,466
Share options exercised	1,784,100	-
Shares issued	-	-
Balance at the end of year	**236,232,566**	**234 448 466**

	2017 US$	2016 US$
Balance at beginning of year	234,449	234,449
Issue of share capital	1,784	-
Balance at the end of year	**236,233**	**234 449**

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 share option scheme is an equity settled scheme. 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 2017.

Date of grant	Number
1 April 2012	1,549,100
1 April 2013	3,015,000
1 April 2014	100,000
1 April 2015	68,000
1 April 2016	249,000
	4,981,100

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:

	2017 Number	2017 WAEP	2016 Number	2016 WAEP
At 31 March	6,516,200	$0.75	6,448,200	$0.75
Options exercised	(876,600)	$0.77	-	-
Options exercised	(907,500)	$0.64	-	-
Options forfeited	-		-	
New options granted	249,000	$0.64	68,000	$0.75
At 31 March	**4,981,100**	$0.76	**6,516,200**	$0.75
Exerciseable at 31 March	**1,549,100**	$0.76	**3,333,200**	$0.75

The weighted average remaining contractual life for the share options outstanding as at 31 March 2017 is 3 years (2016: 3 years)

Unexercised options for 4,981,100 (2016: 6,516,200) shares were held by executive directors at 31 March 2017. Employees exercised nil (2016: nil) options for shares during the year. The share option expense included in profit or loss for the year amounts to $nil (2016: $86,920).

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

	2017	2016
-The exercise price of the option (US$)	0.76	0.75
-The market price of the option	0.95	1.03
-The expected volatility of the share price (%)	9.15	9.15
-The dividend yield (%)	-	-
-Risk free rate (%)	0.54	0.54
-The term of the option (years)	3-5	3-5
-Exit rate	-	-
-Vesting period (Years)	5	5

Notes to the Financial Statements cont...

17.4 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	
	2017 US$	**2016 US$**
Net profit attributable to ordinary equity holders of the parent for basic earnings	20,709,730	14,649,262
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**20,709,730**	**14,649,262**
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	236,232,566	234,448,466
Effect of dilution:		
Share options	996,220	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**237,228,786**	**234,448,466**

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 March 2015	**3,163,762**	**40,524,868**	**1,052,904**	**(22,096,693)**	**18,564,024**	**41,208,865**
Exchange differences on translation of foreign operations	-	-	-	(13,186,967)	(10,519,113)	(23,706,080)
Revaluation	-	-	-	-	10,635,658	10,635,658
Deferred tax on revaluation	-	-	-	-	(3,010,800)	(3,010,800)
Impairment of property, plant and equipment	-	-	-	-	(408,732)	(408,732)
Deferred tax on impairment	-	-	-	-	101,161	101,161
Realisation of share option reserve	-	11,000	(11,000)	-	-	-
Realisation of revaluation reserve through use	-	-	-	-	(533,711)	(533,711)
Share based payment	-	-	86,920	-	-	86,920
Deferred tax on share based payment	-	-	(22,382)	-	-	(22,382)
As at March 2016	**3,163,762**	**40,535,868**	**1,106,442**	**(35,283,660)**	**14,828,487**	**24,350,900**
Exchange differences on translation of foreign operations	-	-	-	3,500,153	-	3,500,153
Realisation of revaluation reserve through use	-	-	-	-	(181,298)	(181,298)
Transfer to retained earnings	(3,163,762)	-	-	-	-	(3,163,762)
Share options exercised	-	1,253,998	-	-	-	1,253,998
Balance at the end of year	**-**	**41,789,866**	**1,106,442**	**(31,783,507)**	**14,647,189**	**25,759,991**

NON-DISTRIBUTABLE RESERVES
Company

	Foreign currency conversion reserve US$	**Share premium US$**	**Share based payments reserve US$**	**Total reserves US$**
As at 31 March 2015	**3,163,762**	**40,524,868**	**1,052,904**	**44,741,534**
Share based payment	-	-	86,920	86,920
Deferred tax on share based payment	-	-	(22,382)	(22,382)
Realisation of share based payment reserve	-	11,000	(11,000)	-
As at 31 March 2016	**3,163,762**	**40,535,868**	**1,106,442**	**44,806,072**
Transfer to retained earnings	(3,163,762)	-	-	(3,163,762)
Share options exercised	-	1,253,998	-	1,253,998
Balance at the end of year	**-**	**41,789,866**	**1,106,442**	**42,896,308**

Notes to the Financial Statements cont...

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 represented the residual equity in existence as at the change over period and was designated as Non-Distributable Reserve. The reserve was reclassified to retained earnings in the current period.

Share premium

Share premium arose from the redenomination of share capital, issue of shares and from the 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 management personnel, as apart 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.

19 LONG TERM LOANS

	Group	
	2017 US$	**2016 US$**
Secured	270,950	1,274,998

The long term loan is denominated in USD and is interest free. The loan has a five year tenure and expires in 2019. US$10,000 is repayable in March 2018 and the balance will be repaid in March 2019.

20 BANK BORROWINGS

20.1 Bank overdraft	**37,160,861**	**28,546,081**

The bank overdraft bears an interest rate of between 3.5% - 4.5% (2016: 4.85%-8%) per annum for United States dollar denominated drawdowns and is payable by December 2017. 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	54,000,000	54,300,000
Facilities utilised at year end	(37,160,861)	(28,546,081)
Unutilised borrowing capacity	**16,839,139**	**25,753,919**

The group has in place the following main borrowing facilities:
Standard Bank Facility - US$30 Million
Barclays Bank Facility - US$24 Milion

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:-

20.3 (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.

Notes to the Financial Statements cont...

21 TRADE AND OTHER PAYABLES

	Group 2017 US$	Group 2016 US$
Trade payables	4,522,034	6,541,264
Accruals and other creditors	11,740,131	7,865,598
	16,262,165	**14,406,862**

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.

21.1 PROVISIONS

2017

	Bonus US$	Other US$	Total US$
At the beginning of the year	3,788,194	863,595	4,651,789
Arising during the year	2,677,901	524,970	3,202,871
Utilised	(1,521,797)	(120,255)	(1,642,052)
At the end of the year	**4,944,298**	**1,268,310**	**6,212,608**

2016

	Bonus US$	Other US$	Total US$
At the beginning of the year	2,956,589	619,385	3,575,974
Arising during the year	1,787,057	295,801	2,082,858
Utilised	(955,452)	(51,591)	(1,007,043)
At the end of the year	**3,788,194**	**863,595**	**4,651,789**

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

Included in other provisions is leave pay and severance pay.

22 PENSION AND RETIREMENT SCHEMES

22.1 Seed Co Pension Scheme

The Seed Co Pension Fund is a Defined Contribution Pension Fund where the liability is only limited to the monthly contribution. The market value of the assets increased from US$3,701,652 as at 1 April 2016 to US$4,999,891 at year end. The fund membership increased from 183 to 201 in the same period.

In Zambia the market value increased from US$800,363 as at 1 April 2016 to US$1,032,652 at year end, as at 31 March 2017 and the fund membership decreased from 99 to 96 in the same period.

The market value in Malawi grew from US$433,237 as at 1 April 2016 to US$527,345 as at 31 March 2017 and the fund membership decreased from 39 to 36 in the same period.

22.2 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 3.5% of the full pensionable emoluments limited to a maximum pensionable earnings of $700 per month for each employee.

22.3 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.

22.4 National Social Security Fund Scheme (Malawi)

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

22.5 Pension costs charged to the income statement during the year

	Group 2017 US$	Group 2016 US$
Seed Co Pension Fund - defined contribution	901,261	838,566
National Social Security Schemes	144,065	660,019
	1,045,326	**1,498,585**

Notes to the Financial Statements cont...

23 RELATED PARTY TRANSANCTIONS

Seed Co Limited is listed on the Zimbabwe Stock Exchange and has multiple public shareholders. There is no individual or entity with ultimate control over Seed Co Limited.

23.1 The financial statements include the financial statements of the Group and the subsidiaries and associates listed in the following table:

Name	Country of Incorporation	% Equity interest 2017	2016
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
Seed Co International Rwanda Limited	Rwanda	100	100
Seed Co South Africa	South Africa	100	100
Niculata Investments (Private) Limited t/a Prime Seed	Zimbabwe	100	100
Quton Zimbabwe (Private) Limited	Zimbabwe	40	40
Quton Malawi (Private) Limited	Malawi	40	40
Quton Tanzania (Private) Limited	Tanzania	30	30

23.2 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 Zimbabwe(Private) Limited	2017	-	-	57,329
	2016	-	-	325,383
Quton Tanzania (Private) Limited	2017	-	-	2,864,841
	2016	-	-	3,954,000
Quton Malawi (Private) Limited	2017	-	-	2,445,957
	2016	-	-	2,586,000
Key management personel of the Group	2017	124,306	692,524	1,204,558
	2016	271,041	-	50,960

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 2017 the Group has recorded an impairment of receivables relating to amounts owed by related parties of US$3,798,463 (2016: US$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 US$1,775,233 and US$1,000,000 was received from Seed Co Zimbabwe (Private) Limited and Seed Co International Limited respectively as dividends received from subsidiaries.

During the year, Seed Co Limited increased its shareholding in Niculata Investments (Private) Limited t/a Prime Seed by $1,700,000.

For intercompany balances refer to note 11.

Notes to the Financial Statements cont...

23.3 Loans to related parties

		Interest Received US$	Amount owed by Related Parties US$
Directors' loans	2017	13,830	1,146,044
Directors' loans	2016	9,387	134,375

The loans bear interest at 5% per annum and are repayable over 3 years. The loans are unsecured.

Reconciliation of directors loans	**2017** US$	**2016** US$
Opening balance	134,375	156,478
Interest for the period	13,830	9,387
New loans advanced	1,134,012	-
Loan repayments	(136,173)	(31,490)
Closing balance	**1,146,044**	**134,375**

23.4Key management compensation

	2017 US$	**2016** US$
Short term employee benefits	1,083,331	2,482,221
Share-based payment transaction	-	86,920
Post-employment pension and medical benefits	127,344	1,279,778

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.

24 COMMITMENTS AND CONTINGENCIES

	Group	
	2017 US$	**2016 US$**
24.1 Commitments for capital expenditure		
Approved by the directors but not yet contracted for - plant, equipment and vehicles	10,264,100	6,876,406
	10,264,100	6,876,406

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

24.2 Contingent liabilities

There were no contigent liabilities as at 31 March 2017 and 31 March 2016.

Notes to the Financial Statements cont...

25 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise bank loans, overdrafts, trade and other payables. 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 arise 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 25.2 to note 25.5.

25.1. Fair Value

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

25.2. Liquidity Risk

The Group is principally funded through locally arranged facilities in each country of operation. In Botswana the facility was at 4.25% per annum while in Zambia the US dollar overdraft loans were at 6% above the libor rate, while the local kwacha loans were at 28% per annum. In Malawi the overdraft facility was in Malawi kwacha at 33%. The Group's policy is that not more than 25% of borrowings should mature in the next 6 month period. 4 % of the Group's debt will mature in less than 6 months at 31 March 2017 (2016: 6%) 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.

The Group's subsidiary in Zimbabwe is experiencing difficulties in making payments to foreign suppliers and delays in making such payments are experienced regularly due to foreign currency shortages in Zimbabwe which resulted in the Reserve Bank of Zimbabwe enforcing tight controls on all foreign payments.

Maturity profile of the Group's financial liabilities

	On demand US$	Less than 3 months US$	3 to 12 months US$	1 to 5 years US$	Total US$
Year ended 31 March 2017					
Interest bearing loans and borrowings	1,300,000	242,390	35,842,602	270,950	37,431,811
Trade and other payables	3,954,882	6,134,783	6,172,500	-	16,262,165
	5,254,882	**6,377,173**	**41,709,971**	**270,950**	**53,693,976**
Year ended 31 March 2016					
Interest bearing loans and borrowings	-	18,890,503	10,428,024	1,784,997	31,103,524
Trade and other payables	-	9,838,986	4,567,876	-	14,406,862
	-	**28,729,489**	**14,995,900**	**1,784,997**	**45,510,386**

Notes to the Financial Statements cont...

25.3. 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) 2017	Liabilities (US$) 2017	Liabilities (Foreign amount) 2016	Liabilities (US$) 2016
South African Rand	381,596	28,728	2,211,563	150,583
Tanzania Shillings	2,440,313,629	1,097,263	492,856,352	227,175
Malawi Kwacha	3,246,655,330	4,483,854	5,820,506,650	8,518,931
Botswana Pula	12,721,929	1,259,471	9,315,122	889,594
Zambian Kwacha	14,825,714	1,532,374	75,154,207	6,835,308
	Assets (Foreign amount) 2017	**Assets (US$) 2017**	**Assets (Foreign amount) 2016**	**Assets (US$) 2016**
South African Rand	26,071,553	1,962,797	26,962,922	1,835,873
Tanzania Shillings	12,962,268,920	5,828,358	7,550,162,955	3,480,140
Malawi Kwacha	4,548,595,225	6,281,922	7,151,505,287	10,466,989
Botswana Pula	85,310,828	8,445,772	18,076,747	1,726,392
Zambian Kwacha	240,968,937	24,906,350	253,720,889	23,076,024
	Net Exposure (Foreign amount) 2017	**Net Exposure (US$) 2017**	**Net Exposure (Foreign amount) 2016**	**Net Exposure (US$) 2016**
South African Rand	(25,689,957)	(1,934,068)	24,751,358	1,685,291
Tanzania Shilings	(10,521,955,291)	(4,731,095)	7,057,306,603	3,252,965
Malawi Kwacha	(1,301,939,896)	(1,798,068)	1,330,998,638	1,948,058
Botswana Pula	(72,588,899)	(7,186,301)	8,761,625	836,735
Zambian Kwacha	(226,143,223)	(23,373,976)	178,566,682	16,240,717

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
	2017		**US$**
Zambia kwacha denominated balances		+10%	2,597,108
		-10%	(2,124,907)
Rand denominated balances		+10%	214,896
		-10%	(175,824)
Pula denominated balances		+10%	798,478
		-10%	(653,300)
Tanzania Shillings balances		+10%	525,677
		-10%	(430,100)
Malawi kwacha balances		+10%	199,785
		-10%	(163,461)
	2016		**US$**
Zambia kwacha denominated balances		+10%	(621,392)
		-10%	621,392
Rand denominated balances		+10%	(26,807)
		-10%	26,807
Pula denominated balances		+10%	(80,872)
		-10%	80,872
Tanzania Shillings balances		+10%	(301,509)
		-10%	301,509
Malawi kwacha balances		+10%	(774,448)
		-10%	774,448

Notes to the Financial Statements cont...

25.4 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 trade receivables 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, Rwanda, Botswana and Zambia representing 33% (2016: 46%) 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. 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.

25.5 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
2017		**US$**
US dollar	+50	(185,804)
	-50	185,804

	Increase/decrease in basis points	Effect on profit before tax
2016		**US$**
US dollar	+50	(12,824)
	-50	12,824

Notes to the Financial Statements cont...

26 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 2017 and 31 March 2016. 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. Capital is equity attributable to the equity holders of the parent.

	2017 US$	2016 US$
Interest bearing loans and borrowings	37,431,811	29,821,080
Trade and other payables	16,262,165	14,406,862
Less cash and short term deposits	(55,290,579)	(19,514,900)
Net debt	**(1,596,603)**	**24,713,042**
Equity	163,878,544	143,101,849
Capital and net debt	**162,281,941**	**167,814,891**
Gearing ratio	nil	15%

27 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.

	2017	2016
Zambian Kwacha (ZMK)		
Income Statement	9.84	9.29
Statement of Financal Position	9.68	11.00
Malawi Kwacha (MWK)		
Income Statement	716	572
Statement of Financal Position	724	683
Botswana Pula (BWP)		
Income Statement	10.29	10.72
Statement of Financal Position	10.10	10.47
Tanzania Shilings (TSH)		
Income Statement	2,201	2,128
Statement of Financal Position	2,224	2,170

28 SEGMENTAL INFORMATION

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

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

The Zimbabwe segment is made up of Seed Co Zimbabwe (Private) Limited and Niculata Investments (Private) Limited t/a Prime Seed.

Segment performance is evaluated based on operating profit or loss.

Management has applied the following judgements in aggregating operating segments:
- All the companies are involved in the processing of agricultural seed for commercial purposes.
- The production process is the same in all segments.
- Similar nature of customers i.e governments, commercial farmers and retailers.
- Similar long term average gross margins.

Notes to the Financial Statements cont...

Period ended 31 March 2017	Zimbabwe Operations US$	Regional Operations US$	Total US$
Gross sales	65,657,810	84,756,607	150,414,417
Inter- segment sales	(1,575,398)	(14,264,913)	(15,840,311)
Revenue	**64,082,412**	**70,491,694**	**134,574,106**
Profit before tax	19,101,101	7,997,507	27,098,608
Taxation	(4,750,338)	(1,638,540)	(6,388,878)
Segment profit	**14,350,763**	**6,358,967**	**20,709,730**
Segment assets	120,855,904	112,824,269	233,680,173
Segment liabilities	(24,351,925)	(45,449,703)	(69,801,628)
Net segment assets	**96,503,979**	**67,374,566**	**163,878,545**
Segment interest expense	1,347,937	2,769,195	4,117,132
Segment interest income	1,203,207	491,883	1,695,090
Non-current assets	54,564,860	35,073,974	89,638,834
Depreciation charge for the year	1,171,871	2,206,035	3,377,906
Capital expenditure	2,166,967	4,128,661	6,295,628
Number of employees	137	202	339

Period ended 31 March 2016	Zimbabwe Operations US$	Regional Operations US$	Total US$
Gross sales	36,521,936	68,947,763	105,469,699
Inter- segment sales	-	(9,512,790)	(9,512,790)
Revenue	**36,521,936**	**59,434,973**	**95,956,909**
Profit before tax	5,692,781	10,587,140	16,279,921
Taxation	(1,232,306)	369,998	(862,308)
Segment profit	**4,460,475**	**10,957,138**	**15,417,613**
Segment assets	87,154,493	111,848,592	199,003,085
Segment liabilities	(12,276,278)	(42,917,344)	(55,193,622)
Net segment assets	**74,878,215**	**68,931,248**	**143,809,463**
Segment interest expense	1,991,994	402,864	2,394,858
Segment interest income	837,596	1,100,025	1,937,621
Non-current assets	34,711,330	32,585,377	67,296,707
Depreciation charge for the year	950,883	1,924,169	2,875,052
Capital expenditure	2,777,707	3,010,261	5,787,968
Number of employees	136	206	342

- Inter-segment sales are eliminated on consolidation
- Capital expenditure consist of additions of property, plant and equipment .
- Non current assets include property, plant and equipment.

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. Operating segments have been aggregated in line with the requirements of IFRS 8.12.

INFORMATION ABOUT MAJOR CUSTOMERS

During the year the Government of Zimbabwe bought seed worth US$33,119,771 (2016: US$10,000,00). 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.

Notes to the Financial Statements cont...

29 BUSINESS COMBINATIONS

Acquisition of Prime Seeds

On 1 April 2015, the Group acquired 100% of the voting shares of Prime Seeds Private Limited, an unlisted company based in Harare, Mt Hampden and specialising in the sale of vegetable seeds, in exchange of cash. The Group acquired Prime Seeds because it significantly complements and enlarges the range of products in the seed business.

The net cash consideration paid (net cash paid less net cash acquired) amounted to $1,796,999 and the total fair value of the net assets (less net cash) acquired was $1,532,527 resulting in a goodwill amount of $264,472.

30 PRIOR PERIOD ERROR

An error was noted whereby foreign exchange gains for the years 2014 to 2016 were incorrectly treated on the current tax calculation resulting in misstatement of estimated tax losses that were used to calculate deferred tax, consequently resulting in misstatement of the deferred tax balance and the related profit or loss movement.

Below is the impact of correcting the errors on previously issued financial statements;

	As at/ for year ended 31 March 2016 US$	As at April 2015 US$
Impact on statement of financial position		
Increase in deferred tax liability	1,449,829	681,478
Decrease in equity (retained earnings)	1,449,829	681,478
Impact on profit or loss		
Increase income tax expense	768,351	-
Decrease in profit for the year	768,351	-
Impact on basic and diluted earnings per share		
Decrease in basic and diluted earnings per share	0.0033	-

31 EVENTS AFTER THE REPORTING PERIOD

There were no reportable events after the reporting period.

Analysis of shareholders at 31 March 2017

Shareholder classification	Total Holding	Percentage of total
1 FOREIGN NOMINEE	111,532,733	47.21%
2 PENSION FUNDS	60,392,506	25.56%
3 LOCAL INDIVIDUAL RESIDENT	31,177,602	13.20%
4 LOCAL COMPANIES	16,872,233	7.14%
5 FOREIGN COMPANIES	7,696,299	3.26%
6 CHARITABLE AND TRUSTS	2,398,587	1.02%
7 NEW NON RESIDENT	1,945,052	0.82%
8 OTHER INVESTMENTS & TRUST	1,578,765	0.67%
9 INSURANCE COMPANIES	1,483,157	0.63%
10 FUND MANAGERS	617,108	0.26%
11 LOCAL NOMINEE	273,603	0.12%
12 EMPLOYEES	197,204	0.08%
13 DECEASED ESTATES	40,935	0.02%
14 GOVERNMENT / QUASI	22,083	0.01%
15 BANKS	4,680	0.00%
16 FOREIGN INDIVIDUAL RESIDENT	19	0.00%
	236,232,566	**100%**

Top ten shareholders

1 VILMORIN ET CIE- NNR	71,229,896	30.15%
2 STANBIC NOMINEES (PVT) LTD.	40,256,679	17.04%
3 OLD MUTUAL LIFE ASSURANCE COMPANY ZIMBABWE LIMITED	26,149,859	11.07%
4 SCB NOMINEES 033663900002	18,494,266	7.83%
5 NATIONAL SOCIAL SECURITY AUTHORITY	17,694,246	7.49%
6 MINING INDUSTRY PENSION FUND	6,708,304	2.84%
7 BURKET ASSOCIATES LIMITED NNR	4,529,583	1.92%
8 LOCAL AUTHORITIES PENSION FUND	3,347,975	1.42%
9 CAPERAL LIMITED NNR	3,050,648	1.29%
10 NATIONAL SOCIAL SECURITY AUTHORITY (WCIF)	2,735,443	1.16%
11 OTHER	42,035,667	17.79%
	236,232,566	**100%**

Analysis of shareholders at 31 March 2016

Shareholder classification	Total Holding	Percentage of total
1 PENSION FUNDS	54,916,021	23.42%
2 FOREIGN COMPANIES	95,282,998	40.64%
3 NEW NON RESIDENT	35,532,575	15.16%
4 INSURANCE COMPANIES	27,073,361	11.55%
5 LOCAL COMPANIES	11,479,133	4.9%
6 CHARITABLE AND TRUSTS	3,272,954	1.4%
7 LOCAL INDIVIDUAL RESIDENT	2,948,783	1.26%
8 OTHER INVESTMENTS & TRUST	2,619,868	1.12%
9 FUND MANAGERS	839,895	0.36%
10 LOCAL NOMINEE	240,759	0.1%
11 EMPLOYEES	188,236	0.08%
12 DECEASED ESTATES	27,101	0.01%
13 GOVERNMENT / QUASI	22,083	0.01%
14 BANKS	4,680	0%
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 (PVT) LTD.	42,544,210	18.15%
3 OLD MUTUAL LIFE ASSURANCE COMPANY ZIMBABWE LIMITED	25,319,798	10.8%
4 SCB NOMINEES 033663900002	19,643,426	8.38%
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 LOCAL AUTHORITIES PENSION FUND	3,347,975	1.43%
9 CAPERAL LIMITED NNR	3,050,648	1.3%
10 NATIONAL SOCIAL SECURITY AUTHORITY (WCIF)	2,735,443	1.17%
11 OTHER	37,644,937	16.05%
	234,448,466	**100%**

Notice to Shareholders

Notice is hereby given that the 22nd Annual General Meeting of Seed Co Limited will be held in the Standards Association of Zimbabwe Auditorium on Thursday 28 September 2017 at 12.00 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 2017.

2. To Appoint Directors

Messers B Carette, M Debrand and Dr D Garwe will retire by rotation while Messers Fungai Ruwende and Mrs Remina C D Chitengu who joined the board on 7 September 2016 and Mr Daniel Jacquemond who joined the board on 3 October 2016 will retire in terms of article 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.

5. To ratify the dividend of 4.38cents per share payable in cash or scrip.

Special Business

Preamble

Conversion from Share Option Scheme to Share Appreciation Rights Scheme

In an effort to reduce the dilutive effects of the current Share Option Scheme and the administrative difficulties of asking employees to raise the required amounts to pay for the shares when they are exercising their share options, and in most cases a portion of such shares having to be sold to raise these funds, the directors have resolved that the Company migrate to a Share Appreciation Rights Scheme. In this scheme, the company only issues shares or pays a cash equivalent to the gain or appreciation of the shares on date of exercise thereby eliminating the need for the employee to raise funds to pay for the options. It also significantly reduces the amount of shares to issue for the share appreciation as well as the resultant dilution. Essentially the employee is being granted a right to the appreciation in value between the grant date and the exercise date.

Share Options

Out of the 35million shares reserved for the Seed Co Limited Employee Share Option Scheme ever since listing in 1996, only 8,623,207 is left for future share options.

There is need to allocate more shares to the scheme to facilitate an incentive scheme that aligns the employees interest to those of the shareholders.

Shareholders are therefore asked to consider and if deemed fit to pass, with or without modifications the following special resolutions.

1. Share Appreciation Scheme

To consider and if redeemed fit to resolve with or without amendment :

"That the Seed Co Limited 2017 Share Appreciation Scheme be adopted to take into account current market practices relating to rules of share incentive scheme and to provide for the increase in the number of shares reserved for the share appreciation scheme by 15 million, being 6% of the Company's issued share capital."

The rules of the scheme will be available for inspection at least 14 days prior to the AGM date at the Company's registered office.

2. Conversion from Share Option Scheme to Share Appreciation Scheme

To consider and if redeemed fit to resolve with or without amendment:

"That the current unexercised share options be converted into Share Appreciation Rights and be administered in terms and conditions of the Seed Co Limited 2017 Share Appreciation Scheme"

By Order of the Board

J Matorofa
Secretary

1 June 2017

Notes

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, vote and speak in their 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.

Group Administration

DIRECTORS
D E B Long (Chairman)
M Nzwere (Group Chief Executive)
A G Barron
B Carette
R C D Chitengu
M Debrand
Dr D Garwe
P Gowero
D Jacquemond
C Kabaghe
J Matorofa (Group Finance Director)
M S Ndoro
F H Ruwende

BOARD COMMITTEES
Audit Committee
M S Ndoro (Chairman)
R C D Chitengu
D Jacquemond

Remuneration Committee
D E B Long (Chairman)
P Gowero
M S Ndoro

SUBSIDIARY BOARDS

Seed Co Zimbabwe
M S Ndoro (Chairman)
W Chigodora
C Davenport
C Fambisayi
K Mafukidze
J Matorofa
S Mtizwa
C Mutunhu
F Ndawi
M Nzwere
D Zaranyika

Seed Co Zambia
C Kabaghe (Chairman)
G Bwanali
D Clements
J Matorofa
M Nzwere
D E B Long
E Rupende

Seed Co Malawi
A Barron (Chairman)
C Chilungulo
R Chirwa
J Matorofa
S Mbanda
M Nzwere
D E B Long
D Zaranyika

Seed Co Tanzania
J Kabissa
J Matorofa
C Mugadza
M S Ndoro
M Nzwere
K Sibuga

Seed Co International
N Armstrong (Chairman)
J Matorofa
M Nzwere
G Bwanali
S Ruwisi

Agri Seed Co Kenya
Dr C Kedera
J Matorofa
M Ndoro
M Nzwere
K Owino (Managing Director)

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
K Owino - Managing Director Kenya
S Mbanda - Acting Managing Director Malawi
D Zaranyika - Managing Director Zimbabwe
J Derera - Head of Research
C Fambisai - Business Development
S Ruwisi - Treasury
E Rupende - Divisional Production and Processing Director
C J Murandu - Divisional Marketing Director
P Mutandwa - Human Resources
D H Ncube - Internal Audit
F Ndawi - Finance Director Zimbabwe

SENIOR CROP BREEDERS
Maize - E Tembo, G Mabuyaye
Wheat - E K Havazvidi

AUDITORS
Ernst & Young, P O Box 702, Harare, Zimbabwe

TRANSFER SECRETARIES
Corpserve, P O Box 2208, Harare, Zimbabwe
Tel: +263 4 758551

REGISTERED OFFICE
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Tel: +263 4 882485/851962
Email: seedco@seedco.co.zw
Website:www.seedcogroup.com

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SEED CO LIMITED

TWENTY-SECOND ANNUAL GENERAL MEETING
FORM OF PROXY

I/We ____

of ____

being a member of Seed Co Limited hereby appoint

of ____

or failing him/ her ____

of ____

or failing him/ her, the chairman of the company, or failing him, the chairman of the meeting as my/ our proxy to vote for me/ us on my/ our behalf at the Annual General Meeting of the Company to be held on Thursday 28 September 2017 and at any adjournment thereof.

Signed on this ____________________ day of ____________________ 2017

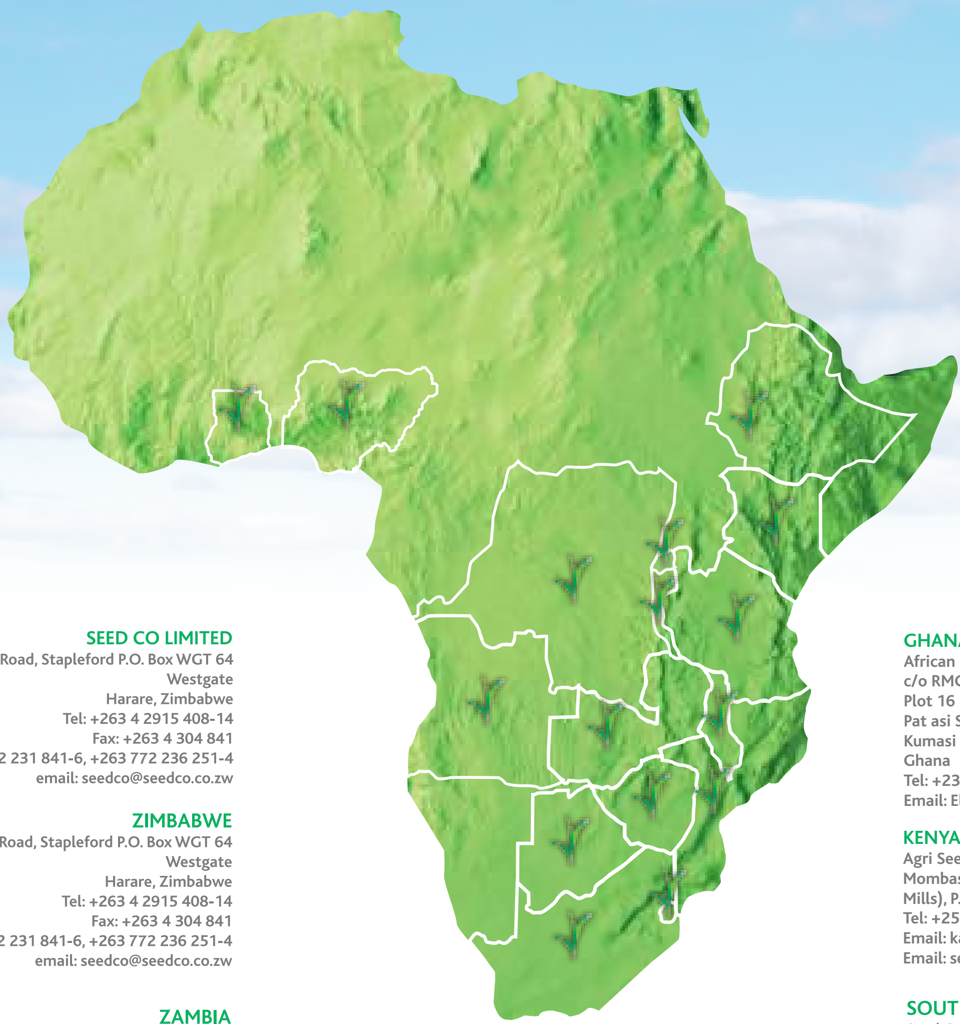
Signature of member

Notes

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one person as his proxy (who need not be a member of the company) to attend and speak, and on a poll to vote in the place of the shareholder.
2. The proxy form should be lodged at the registered office of the company at least forty-eight hours before the time appointed for holding the meeting.

SEED CO
The African Seed Company

Rattrary Arnold Research Station - The breeding home of bumper harvests



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Fax: +263 4 304 841
Cell: +263 772 231 841-6, +263 772 236 251-4
email: seedco@seedco.co.zw

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