Seed Co Limited

80TH ANNIVERSARY
EST. 1940

2020 ANNUAL REPORT

THE HOME OF BUMPER HARVESTS

It starts with the right seed

Welcome to our 2020 Annual Report

Seed Co Limited, which is listed on the Zimbabwe Stock Exchange (ZSE), is the leading producer and marketer of certified crop seeds in 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 2019 to 31 March 2020. 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 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.

Our journey thus far

- **1940** Born as Seed Maize Association (SMA)
- **1949** Rattray and Arnold produced 1st hybrid for sale
- **1957** Crop Seeds Association formed (CSA)
- **1960** SR52 (1st commercial hybrid) released
- **1970** Rattray Arnold Research station purchased
- **1983** CSA & SMA merged to form Seed Co-op
- **1991** Stapleford facility opened
- **1991** Kadoma Research Station acquired
- **1996** Floated on Zimbabwe Stock Exchange
- **1997** Acquisition of Semoc - Mocambique
- **1998** Seed Co Zambia established
- **2000** Seed Co Malawi established
- **2000** Seed Co International Botswana
- **2004** Kenya trading office
- **2005** Business right sized
- **2006** Quton acquired
- **2010** Search for New Horizons intensifying
- **2010** Tanzania SBU established
- **2015** Successfully concluded an equity partnership with Limagrain
- **2016** Vegetable Seed Business acquired
- **2017** Kenya Seed processing plant officially opened
- **2018** Listing on the Botswana Stock Exchange
- **2019** Embarked on a Artificial Seed Drying Plant in Zimbabwe
- **2020** 80 Year Milestone for Seed Co

CONTENTS

About the Seed Co Limited Annual Report

The full edition of Seed Co Limited Annual Report 2020 comprises:

- Audited consolidated and company financial statements of Seed Co Limited set out on pages 41 to 85 which comprise the group and company statements of financial position as at 31 March 2020.
- The Annual Report includes notes to the financial statements, including a summary of significant accounting policies.
- Seed Co Limited AGM Notice and Proxy Form

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.

SEED CO LIMITED AT A GLANCE

We have the ability to create value for all our stakeholders with the strong foundation that we have laid to balance short-term and long-term sustainable growth through our innovation and research capabilities. We endeavor to grow our seed portfolio and enhance our market presence across all African Markets.

The resource we depend on

Financial Capital

In form of equity and reserves available

Human Capital

Includes knowledge, trainings and skill set of our people

Intellectual Capital

In terms of research, innovation in the field of Biotechnology, Genetics and plant breeding, Seed Production Research

Seed Production & processing units

Large scale seed production and processing of mandate crops.

Social and Relationship Capital

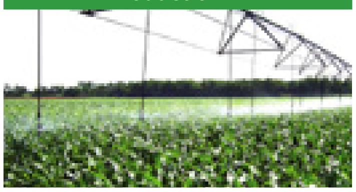
Engage with local communities across villages to improve education, agriculture and rural infrastructure. We also partner with National and State level programmes.

What we do

Research and Product Development

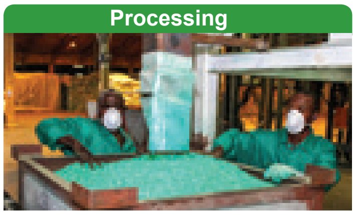
- Advance Plant Breeding and Seed Technology Research
- Development of market competitive hybrids
- Develop suitable products tolerant to biotic and abiotic situations

Production



- Implemented advanced seed production planning tools to achieve targeted seed volumes in newer and multi-location geographies
- Implemented seed production technologies to field staff and seed growers to improve seed quality
- Various production strategies employed to improve seed yields, forecasting production volumes by scientific estimates

Processing



- Efficient processing technologies

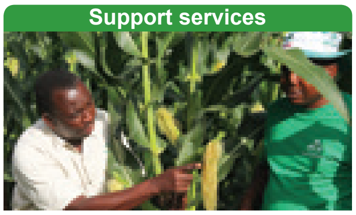
Marketing

- Product life cycle management
- Vibrant marketing and distribution manned by technically competent marketing team
- Marketing in to new geographies
- New product promotions by conducting demos and creating awareness among the farmers

Sales

- Trained sales team representatives
- Safe and sustainable use of our products
- Product registration
- Health, Safety and environment
- Support Services and multi-stakeholder dialogue

Support services



PERFORMANCE HIGHLIGHTS

	2020	2019	Volume contribution
MAIZE SALES VOLUMES	10,061mt	15,810mt	50%
WHEAT SALES VOLUMES	4,444mt	4,977mt	22%
SOYABEANS SALES VOLUMES	4,164mt	4,561mt	20%
OTHER CROPS SALES VOLUMES	1,627mt	1,158mt	8%
TOTAL	20,326mt	26,506mt	

Chairman's Letter

D.E.B Long - Chairman

> My thanks to our customers, shareholders, suppliers, and industry regulators, for your ongoing support and contribution to our success.

Dear Shareholders,

As we celebrate our 80th year of our existence, we call upon our shareholders and stakeholders to commemorate this huge milestone of your company and its existence. All our operating and financial metrics are heading in the right direction despite the prevailing economic conditions. We have the processes, systems, and people in place to ensure we have performance discipline and operating leverage into the future. Constant engagement and feedback from our customers, the farmers, inform us that the quality of our products is good and getting better with new product releases. We are seeing increased business development opportunities as we expand our brand and footprint across Africa.

This past season has been characterised by below average to average rainfall in Zimbabwe and Southern Africa and above average rainfall in East Africa. The continued economic turmoil in Zimbabwe was with us for the whole financial year under review characterised by severe foreign currency challenges, high inflation, continued fuel shortages and power-load shedding. The emergence of the COVID-19 pandemic across the world has resulted in significant changes in how the world lives and works and, in the process, made doing business extremely difficult. This continues to adversely impact product demand as businesses and customers are being forced to focus more on survival as opposed to growth.

Financial Review

The Group posted turnover of ZWL$537m which was 640% above prior year while Operating Profit of ZWL$338 and PBT of ZWL$382m increased by 1,579% and 1,361% respectively as compared to prior year. Product pricing was a challenge during the year as increases could not be effected to catch up with the runaway inflation. In addition, the value of the profits earned could not be preserved after changes in Zimbabwe's functional currency. Whilst a number of cost containment initiatives across the Group saw operating expenses decrease significantly the challenge remains to balance value preservation with keeping the business running at optimal levels.

Product Quality and Seed Supply

Despite the weather challenges experienced during the season, the Company had adequate stocks to supply the market unlike previous seasons where there were product shortages. The installation of a USD$10m Artificial Seed Drying Plant is nearing completion at our Stapleford Plant and I am pleased to advise you that work is now at 85% completion and should be completed by December 2020. Delays were faced as the country grappled with the foreign currency shortage. The new Artificial Seed Drying Plant the first of its kind in Zimbabwe and Africa will bring new technology aimed at addressing the problems of high cob/kernel diseases/rots and slow dry down resulting in seed maize losses. This will also make it possible for seed growers to carry out double cropping and put Seed Co on a par with leading global seed players who have employed such technology elsewhere.

Chairman's Letter

Research and Technology
The Company continues to benefit from its partnership with Limagrain in Research and Development collaboration which has already seen the effective use of the latest breeding techniques. Your Company continues to play a leading role in releasing ultra-early seed varieties demanded by farmers seeking advantage in low / erratic rain fall areas. To this end we celebrate 5 new releases this year which will further cement our dominance of the market.

People
The greatest asset of the Company is the people that it employs, and every attention has been given to ensure this valuable resource is retained despite the economic hardships being experienced. As your Company continues to nurture and develop talent, I am proud to congratulate those of our staff who continue to advance their education further enhancing the Company's pool of very experienced professionals, skilled scientists and agronomists. To all our teams of committed employees who braved the COVID-19 pandemic and continued to work, caretaking our funds and activities; thank you, you have all been instrumental in moulding our company into what it is today.

The Competitive Landscape
While the competitive landscape remains intense in Zimbabwe, your company is keeping ahead of the game in the year under review by releasing new and better products that outcompete the competition. The company released 5 new maize seed varieties in this financial year which will continue to ensure that Seed Co brand is dominant in the agricultural space.

New Business Development
I am happy to report that the local vegetable seed business continued to perform well during the year and is gaining significant market share in the hybrid vegetable seed market. Challenges of securing foreign currency to import product continue to affect product availability.

The strategic input and participation of your Company's equity partners Limagrain in both our field seeds and vegetable seeds businesses is increasing and I am confident that this partnership will continue to give your company a firm foundation for future growth.

Future Prospects
Despite the continued macro-economic challenges in Zimbabwe at the moment, the demand for your Company's products is expected to enable your company to maintain its market dominance and the new seed drying facilities now being installed will enhance the early availability of seed for sale. The socio-political environment, the currency dynamics and the COVID-19 pandemic will, however, continue to present product pricing challenges this coming year.

Responsible Corporate Citizen
Seed Co remains committed to sustainable and responsible environmental, social and governance (ESG) practices. The main areas of focus are transformation and empowerment; broadening access to rural farmers in support of the government agriculture initiatives to produce more home grown products; investing in our people to ensure the success and sustainability of the business; and investing in our communities through socio-economic and enterprise development.

Directorate
I would like to take this opportunity to thank my fellow directors for their efforts during this very challenging past year.

Andrew Barron and Chance Kabaghe stepped down from the Board but will however continue to sit on the Board of Seed Co International Limited. We wish them success in their future endeavours.

Acknowledgements
My thanks to Morgan Nzwere and his Executive Team for their decisive and supportive leadership as well as to all our employees across the country for their hard work and energy in delivering another outstanding performance. My fellow Non-Executive Directors ensure that the board meets the highest standards of probity, oversight, and governance, and I thank them for their support and commitment. Thanks also to you our external stakeholders, including our customers, shareholders, suppliers, and industry regulators, for your ongoing support and contribution to our success.

D.E.B Long Chairman
30 June 2020

Chief Executive Officer's Review

Morgan Nzwere - Group Chief Executive

> "The company continues to be a leading seed house in providing farmers with competitive seed products that address the changing climatic conditions in the region."

Overview

The financial year was characterised by :

- Below average rainfall in in Southern Africa.
- High inflation compounded by severe depreciation of the local currency in the main market, Zimbabwe.
- The emergency of the COVID-19 towards the tail end of the year.

This resulted in weak product demand with most businesses and consumers focusing on survival rather than expansion.

Good rainfall experienced in Eastern and Central Africa increased seed demand resulting in good perfomance by the businesses under the Group's associate company, Seed Co International Limited.

Group Financial Review

The Group Board resolved to change the reporting currency for Seed Co Ltd from United States Dollars in the prior years to Zimbabwe dollars, owing to the challenges associated with conversion rates for the local currency.

The financial commentary below is based on the historical cost numbers.

Income Statement

Revenue

Revenue was up by 640% compared to prior year mainly due to alignment of selling prices with inflation. Maize seed sales volumes were down by 36% due to a combination of reduced disposable incomes, and poor rainfall, which is usually a catalyst for seed demand. Low dam levels and inconsistent electricity supply resulted in 13% reduction in wheat offtake.

Other income

Increase in other income was due to sale of chemicals, consumables and other non-seed items mainly to our growers. The company had sourced the inputs required for seed production early to try and preserve value and these were in turn sold to growers at prevailing prices.

Operating expenses

Operating costs increased by 628% owing to the prevailing hyperinflationary conditions in Zimbabwe.

Profit after tax for the year up by **1654%**

5 new maize products released in Zimbabwe

The Group expects to continue posting a healthy profit given the position it occupies in the food value chain

CHIEF EXECUTIVE OFFICER'S REVIEW

Finance costs

The finance costs were significantly higher than prior year due to the increased borrowings and interest rates as a result of the hyperinflation.

Associates and joint venture operations

The increase in the contribution from associates and joint venture was mainly due to the improved perfomance the regional businesses under Seed Co International, whose profit increased by 67% compared to prior year.

A combination of normal to above normal rainfall in Tanzania, Malawi and some parts of Zambia together with improved maize commodity prices drove product demand in these markets resulting in the Group's maize seed sales volumes growing by 37%. Revenue however only increased by 19% due to sharp depreciation of the regional currencies against the reporting currency.

The vegetable business in Zambia and South Africa was adversely affected by significant currency movements towards the end of the financial year resulting in exchange losses which wiped out the positive trading results that had been achieved.

The performance of Seed Co Limited associates and JV operations is summarised in the tables below:

Seed Co International

	F2020	F2019	F2019 % of
	US$'m		
Revenue	71.3	60.1	119%
Operating profit	12.5	7.0	178%
Profit before tax	9.2	5.2	178%
Profit after tax	6.3	3.8	167%
% shareholding	27.3%	27.4%	
Share of profit	1.7	1.0	167%
Sales volumes (mt)	37,006	30,242	122%

Quton Seed Company

	F2020	F2019	F2019 % of
	ZWL$'m		
Revenue	256.4	12.6	2029%
Operating profit	136.6	3.0	4598%
Profit before tax	136.7	3.3	4131%
Profit after tax	100.2	2.4	4215%
% shareholding	40%	40%	
Share of profit	40.1	1.0	4215%
Sales volumes (mt)	8,024	7,376	109%

Prime Seed Co Zimbabwe

	F2020	F2019	F2019 % of
	ZWL$'m		
Revenue	59.9	9.8	609%
Operating profit	23.2	1.3	1744%
Profit before tax	22.8	1.3	1823%
Profit after tax	18.2	0.9	2135%
% shareholding	51%	51%	
Share of profit	9.3	0.4	2135%

Profit for the year

The Profit After Tax increased to ZWL$315.8m driven by the good performance of Seed Co International and the inflationary increase in selling prices.

Statement of financial position

Property, plant and equipment

The non-current assets increased to ZWL$1.5bn due to the revaluation of Property Plant and Equipment at year end.

Inventories and biological assets

The increase in inventories and biological assets was mainly due to the forward purchase of chemicals, fertilizers, packaging and other consumables required by the company in the coming season to preserve value.

Trade and other receivables

These mainly relate to prepayments for critical inputs and advances to growers which are liquidated through seed deliveries.

Equity

The increase in equity is due to the capital reserves arising from the revaluation of Property Plant and Equipment and retained current year earnings.

Seed supply

Erratic rainfall during the production season significantly reduced the expected yield levels. However the healthy inventory carry over position added to expected deliveries puts the company in good stead to meet all market requirements in the coming selling season. All inputs required for the next production season have been acquired in advance to protect value of cash received, and the business is well positioned to meet demand.

New Seed Drying and Processing facilities

The progress in the construction of the seed drying facilities at the company's Stapleford premises near Harare was affected by the outbreak of the COVID-19 pandemic, and work is now expected to be completed by December 2020.

These facilities are expected to address the following challenges which are being brought about by climate changes:

- high incidences of cob/kernel diseases/rots and slow dry down resulting in huge seed maize losses.
- delayed seed deliveries to the processing plant and trade network.

Overall site layout

CHIEF EXECUTIVE OFFICER'S REVIEW

Research & development

The following new maize seed varieties were released in Zimbabwe.

- SC437 which is higher yielding than the current short season varieties.
- SC547 and SC555 which are higher yielding than SC513 and more adapted to drought and low soil fertility conditions.
- SC659 which is higher yielding compared to the current SC637 and SC627 in the medium maturity category.
- SC729, higher yielding and more adapted to the small holder marginal environments than the current products like SC719 and SC727.

The Group's Research & Development product pipeline continues to be full with many exciting products expected to be released in the coming years, to address farmer needs in terms of yield, climatic changes and emerging diseases.

Seed Co International Operations (27% Associate)

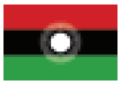
Zambia

The good rains generally received in the country, coupled with improved commodity prices increased local product demand resulting in maize seed sales volumes going up by almost 9% compared to prior year.

The sharp kwacha devaluation dampened the turnover to remain unchanged despite the volumes outturn.

The business is upscaling both winter and summer cereals seed production at its Mkushi farms which have posted good yields.

Annual Profit After Tax grew by 8% to $6,7m.



Malawi

The business achieved a turnover of $10,9 which was 24% higher than prior year. Maize seed sales volumes were 26% ahead of prior year due to a combination of early seed placement in response to Cyclone Idai disaster recovery initiatives and local market development efforts that saw seed sales increasing significantly .

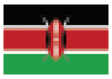
PAT achieved of $1,6m was 62% higher than prior year due to a combination of volume growth and margin management.

Tanzania

The business achieved an impressive 58% turnover growth to $17m from $10.7m in prior year and volumes went up by 70% benefitting from:

- strong commodity price for grain incentivizing farmers to increase area under maize cultivation
- Above average rainfall
- Continued opening up of new areas in this vast country

The business achieved a 219% growth in Profit After Tax from $0.8m to $2.5m this year .



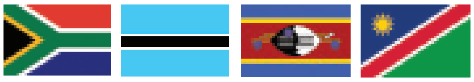
Kenya

Turnover and volumes at $8.5m and 3,855mt were 10 % and 8% lower than prior year respectively, due to a combination of

- excessive rains in the first selling season around September and October which hindered planting activities by farmers.
- COVID 19 restrictions in the second selling season in February and March.

The reduced volumes and the weakening of the Kenya shilling resulted in a marginal loss for the year of $0,2m

Common Customs Union



The CCU achieved a turnover of $9,2m which was 43% higher than prior year.

- The return of the Government's ISPAD program that encourages farmers to choose their own preferred seed varieties saw the volumes achieved in Botswana increasing by 116% compared to prior year.

However sharp devaluation of the South African rand to an all time towards the tail end of the year resulted in exchange losses on both rand and pula denominated receivables reversing the gains achieved from turnover growth.

Quton Zimbabwe (40% associate)

Turnover at $19.3m and Profit After Tax at $7.5m were 52% and 233% higher than prior year respectively, owing to a 9% increase in volumes supplemented by favourable selling prices.

Prime Seed Co International (51% JV)

Vegie divisions consolidated under Prime Seed Co International (Zambia, Tanzania, Kenya and Malawi and Alliance Seeds in South Africa) achieved sales of $3.9m compared to the $1,5m in prior year.

CHIEF EXECUTIVE OFFICER'S REVIEW

Business Development files

1. Nigeria

Turnover of $1.1k from 455mt sales volume was 15% ahead of prior year but significantly lower than budget due to a combination of the following:

- Late rains.
- Slower than anticipated adoption of maize hybrids coupled with low commodity prices which saw farmers switching to soybean & sorghum.
- Market penetration issues (price, competition from OPVs, other hybrids and farm saved seed).

The business is working on installing a new 2,000mt processing plant to address processing quality issues as well as enhance capacity. Commissioning is expected before the end of this year.

2.Ghana and Francophone West Africa

Progress is being made towards the setting up of the joint venture with Limagrain to tackle this market with both yellow and white maize cultivars, with various products having been released in current year.

Demand creation activities are continuing in Ghana, Mali, Cameroon, Togo, Benin, Côte d'Ivoire, Congo Brazzaville, Burkina Faso and Senegal.

3.Angola

There is increasing product demand from Angola with the Government actively encouraging the company to set up a local subsidiary.

There is also demand for other seeds like millet, sorghum, beans, wheat, soya and potatoes.

4.DRC

The in-country volume sold was up by 28% from prior year and there was a stock out of some popular Seed Co varieties in that country. Demand for the Seed Co products continues to rise but we are cautious of the attendant credit risk and therefore are approaching the market cautiously.

5. Rwanda

This market is now being serviced out of Zambia and the business was scaled down due to non-payment issues from the major customer there.

6. Mozambique

The demand for Seed Co products is growing in this market with significant volumes being suppled from both Malawi and Zimbabwe.

7. Ethiopia

Progress has been made in the business license acquisition process. The application process is now awaiting relevant Ministerial approval having secured all the supporting paperwork required. The process was slowed down by the COVID19 Pandemic.

Outlook

- The Group has designed a robust plan to ensure business continuity amid the challenges being brought about by COVID19 whose full effects on the business will be felt in the new financial year.

- The completion of the seed drying facilities was delayed by the challenges emanating from the global lockdowns, and consequent slowdown of supply chains due to the COVID 19 pandemic, and it is now expected that the project will be completed before this coming season's production harvest comes in.

- Being at the forefront of all farming activities the business is poised to continue playing the globally important role of ensuring quality seeds are provided to farmers to feed a growing population affected by a debilitating pandemic and other economic challenges. It is important to note that agriculture has been listed as an essential and critical industry in all the markets we operate and hence our operations have been less affected by the lockdowns. The effect on consumer spending patterns emanating from the pandemic however remains unknown at this stage.

- The Group expects to continue posting a healthy profit given the position it occupies in the food value chain.

Acknowledgement

I would like to thank Team Seed Co for the sterling efforts in achieving the positive results during this challenging time and record my appreciation of the Board's continued support and guidance on all the initiatives we undertook during the year.

The company continues to be a leading seed house in providing farmers with competitive seed products that address the changing climatic conditions in the region.

M Nzwere
Group Chief Executive
12 June 2020.

RESEARCH & DEVELOPMENT

For 80 years, we have always kept pace with evolving agricultural landscapes, encouraging innovation, to meet the farmers and consumers demand.

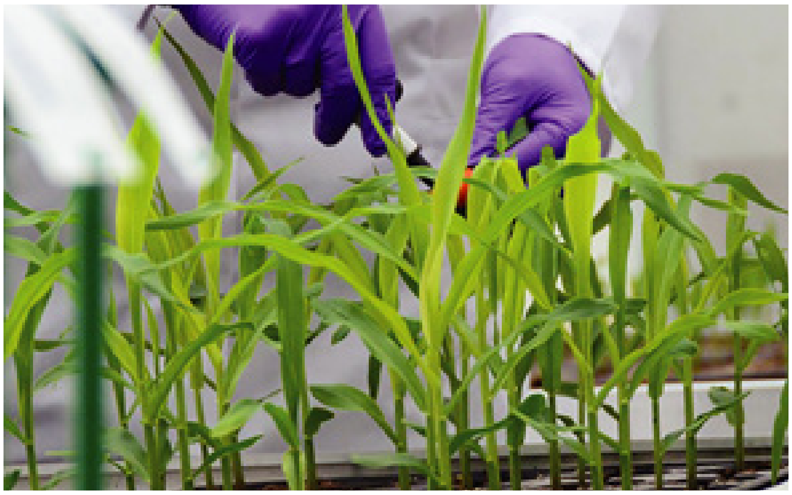
A commitment towards research and innovation has led us to launch new products consistently over the years. We are providing the farmers with the improved seeds, backed by breeding and biotech innovation that will help to meet the increasingly dynamic consumer demands.

Scientific progress, especially in the genetic sphere, has allowed us to make rapid and useful progress to improve plants. The results of varietal creation now allow us to offer more productive varieties that are better adapted to the climates and other characteristics of particular regions, more resistant to disease and pests, while preserving and improving nutritional qualities.

We have invested in blending traditional breeding with cutting-edge biotechnology, with the set up of biotech laboratories. In the lab we have developed methodologies like candidate gene strategy, association mapping, and other procedures to develop superior hybrids and varieties that are high-yielding under optimum input use and stress environments.

Some of the new technologies we have deployed includes Doubled haploid breeding, MAS (Marker Aided Selection), MARS (Marker Assisted Recurrent Selection), RGA (Rapid Generation Advance), Inbred pool-heterotic bins, MPS (Multi-parent synthetics) and MAGIC (Multi-parent Advanced Generation Inter- cross populations).

Seed Co owns a vast pool of germ plasm and acts as a fuel for the Company's futuristic innovations for the product development to meet the aspirations of the farmers.



New cutting-edge biotechnology methodologies producing better varieties faster

Rattray Arnold Research Station staff Sarah Cook in the Lab

Rattray Arnold Research Station staff in the field

PRODUCTION

We produce high-quality seeds with focus on time to market by meticulous planning and using the best grower methods to date.

Key highlights during the year to improve our dedicated network of grower farmers

- Optimise cost of production
- Technology based production
- Achieve capacity utilization across all locations
- Provide support to growers
- Prepare an inventory management strategy
- Strengthened our state-of-the-art seed testing facility with processing, conditioning and packaging technology with large warehouse facility for seed storage
- Improved the Seed Programmes with a vibrant crop improvement methodology in place
- Upgraded the processing / conditioning techniques of quality enhancement and standards to maintain optimum quality
- Improved seed quality so as to enhance the export sales in different countries
- Implemented advanced seed production planning tools to achieve targeted seed volumes in newer geographies
- Introduced new hybrids in seed production multi-location geographies with trials to test feasibility and assess the seed yield potential to ramp up of hybrids
- Streamlined operational efficiencies, logistics and workforce to ensure delivery of inventory well before the season
- Training programmes held for field staff and seed growers in multiple geographies for improvement in seed production
- Different production strategies employed to improve seed yields forecasting production volumes through scientific estimates

Over 85 000 acres of land under seed production across Africa

Our seed production farms are mechanised to be more efficient on time to market

Production strategies implemented by experts to improve seed yields

PROCESSING

State-of-the-art seed technology, processing and storage plants give us a competitive advantage as they are among the largest and best in Africa

Among the largest processing capacities in Africa

- 6 company-owned plants across key locations in Africa with a combined processing capacity of approx. 180 tonnes per hour
- Modern equipment for pre-cleaning, grading, cob drying, storage and packing
- Maize cob drying facility with a capacity of 4,000 tonnes per cycle
- Greenhouses for screening, uniform blast nursery for disease/pest screening
- Warehouses across Africa with combined storage space of around 7,00,000 square feet
- Dehumidified, climate- controlled storage facilities
- Established new vegetable seed processing plants at strategic locations
- Maximising seed yields through an improved production strategy by applying several measures that include anticipating seasonal challenges.
- The Artificial Seed Drying Plant technology that Seed Co is installing in Zimbabwe will have the benefit of minimizing importation of seed as has been the case in the past. It is also expected that the current plant utilization (seed cleaning, treating & packing) will increase from 60% to 80% i.e. from volumes of 15,000mt to 20,000mt out of a maximum plant capacity of 25,000mt of maize seed. Above all, this latest technology will put Seed Co at par with other leading global seed players who have employed such technology elsewhere.

Modern and seamless equipment for seed packing

Organised seed processing plants in multiple geographies

Seed ready for delivery to domestic and export markets

SALES AND MARKETING

At 80 years we have developed a pan-african distribution, sales and marketing network for our products. Through our marketing and branding initiatives, we offer our products to a diverse farmer base across geographies.

Our network of distributors and retailers form an integral part of our value chain. Our marketing teams promote our brand stewardship, educating the distributors and retailers about each product benefit, imparting technical, safety and environmental knowledge to pass the benefits to the farmers.

The Company has over the years built a strong distribution network across Africa making our products available in the remotest villages of the continent.

As a part of our team building culture, we identify high-potential personnel, rewarding them every year. Along with several development programmes to enhance managerial skills, we organize training programmes to improve the behavioral and communication skills of our people. We are also participating in several national and international workshops, where our marketing personnel participate for exposure and knowledge.

Our annual award programme continues to incentivize employees to achieve sustainability objectives, recognizing top performers from the Sales and Marketing and various departments such as R&D, Seed production and others.

Maize showed promising growth in terms of volumes and market share. This was particularly because of identifying new markets in the western, central and northern regions of Africa.

We strengthened our vegetable seed business with increasing investment in marketing and the launch of new products. Vegetable seeds are low-volume and high-value crops and provide a new opportunity for Seed Co. In the coming years, this portfolio will help to diversify our risk and contribute to our growth.

Marketing the brand and products to farmers attending our field days

Sales personnel in market ready to give information about our seeds to customers

Agricultural shows across Africa are a good platform to exhibit our brand and products

SUPPORT SERVICES

To strengthen the confidence and trust of farmers on our brand, we conduct farmer education programmes across geographies equipping them with agronomic know-how and training that help them to achieve high-yields.

Successful and productive farming is the golden key to food security and national wellbeing. As Seed Co we see farmers as economic partners that we support through our world-class fit for purpose Breeding Programmes, Seed distribution and Extension support. The key elements of farmer's profit equation are well-bred seed, good agronomic and management practices to optimise the seed potential. We are always striving to broaden our seed basket and provide superior genetics of both field crops and vegetables.

Support services is a step in our efforts to hold up farmers and ensure good agronomic and grain crop management practices. We are obsessed with enhancing farmer productivity. The farmer profit story is our key motivation and that is what this support services is all about.

Good farming is a relationship. We provide ongoing farmer support through our radio, TV, digital and print media programmes. Other extension tools include 11 ton plus club, high achievers and field days.

Our Agromomy Team initiates ongoing education to farmers on Good Agronomic Practices (GAPs) which play a crucial role in achieving high and economically sustainable yields. A productive farmer has to combine variety choice and the environment with GAPs to be successful.

Our Agonomist farmer relationship provides some basic information that will help farmers produce crops profitably and sustainably, ensure success of the seed we provide them and their farming enterprise.

We provide knowledge on new technologies and better farming techniques to farmers


Our team participates in various agricultural festivals at district and state levels


Educating farmers about agronomy practices to be followed in their specific geographies

SUPPLY CHAIN OPERATIONS

80 years at Seed Co have come with mastering how we work with our partners and suppliers to drive compliance and seamless availability of our seeds to farmers. We have strengthened our in-house procedures to build a strong framework that has resulted in timely supply of seed across our diverse geographies.

Some of the supply chain strategies we undertook during the year were:

- Optimise cost of production Technology based production
- Achieve capacity utilization across all locations
- Provide support to growers
- Prepare an inventory management strategy
- Strengthened our state-of-the-art seed testing facility with processing, conditioning and packaging technology with large warehouse facility for seed storage
- Introduced new hybrids in seed production multi-location geographies with trials to test feasibility and assess the seed yield potential to ramp up of hybrids
- Streamlined operational efficiencies, logistics and workforce to ensure delivery of inventory well before the season
- Training programmes held for field staff and seed growers in multiple geographies for improvement in seed production
- Different production strategies employed to improve seed yields forecasting production volumes through scientific estimates
- Securing the best retail and distributor touch points across the country

Management Team touring a production farm in Kitale Kenya

Management Team inspecting Seed Co retail space in Zimbabwe

Inspection of Artificial Seed Drying Plant by Senior Managemet in Zimbabwe

PRODUCT DEVELOPMENT

We design focused farmer-based scientific data that verify research outputs and acceptance of new varieties by farmers, harvesting deep and rich farmer insights for the Seed Co value chain ultimately improving product launch efficiency.

Seed Co's PD function has managed to establish a reliable & extensive pan-Africa trial network to better understand the needs of our farmers. Understanding and validating farmer experiences scientifically within their own environments and contexts helps us to better target product offering to meet our farmers' needs and thus create shareholder value.

The PD function is investing in a platform for large-scale engagement of farmers using crowdsourcing techniques to generate as much data as possible, including geospatial data to recommend varieties for the diverse agro-ecological zones and contexts. To ensure better product placement, PD is currently working with sales & marketing and R&D to redefine market segments. Synergies amongst internal value chain partners guarantees availability of seed of new varieties for new launches across strategic business units. Annually, the PD function conducts group-wide crop tours in which all relevant functions participate, giving participants an opportunity to benchmark and exchange best practice.

Seed Co team - PD, R&D, Sales & Marketing, production - inspecting a production field for the new hybrid, SC 729 in Chegutu, Zimbabwe

Zambia SB Team, including Regional MD Grace Touring PD trial in Lusaka West, Zambia

PD Data collection - Farmer interview in Songea, Tanzania

NEW SEED VARIETIES

It has been our mandate and goal as Seed Co to ensure the development of crop varieties that are better suited to new and ever changing climatic conditions.

The challenge of climate change continues to disrupt temperature and weather patterns. Our highly adaptable hybrid seed provides farmers with varieties containing improved genetics, such as high yield potential and unique trait combinations to counter diseases and adverse growing conditions.

The process of breeding, delivery and adoption of new maize varieties in Seed Co is an on-going process. All our seed varieties that end with a 9 are adapters which are suited to various climatic conditions.

However, it is important to note that for Seed Co the majority of these regional markets are developing countries which are the most vulnerable to climatic change effects due to limited resources to adapt. There is therefore an urgent need to give all farmers hybrids that are adapted to climate change and which will give them the greatest yield. To achieve this, testing of crop varieties is carried out across different agro-ecologies (throughout Africa) to generate extensive genotype by environment interaction data.

New varieties come from a background of an intense breeding programme whose focus is to select for abiotic (heat and drought, low nitrogen use efficiency, soil acidity and alkalinity), biotic (foliar and cob diseases) and response to different agronomic practices. Resultant efforts have produced a number of crop varieties which have allowed farmers to easily adapt to the effects of climatic change in their farming systems and achieve highest yields possible.

Advanced new technologies to develop adaptable varieties faster - Witbank South Africa


Bringing technology and solution in a seed benefits the smallholder farmers greatly


Educating farmers about a new variety in Maroua, Northern Cameroon

VEGETABLES

Our specialised technical staff and world-class vegetable seed production facilities allow us to provide the highest quality seed offering to our customers.

We are committed to supplying high quality seeds with high purity and germination rates; all trialled under local conditions. Our commitment to our quality standards ensures that we provide vegetable seeds that perform, and full technical support to our customers.

Our Vegetables business covers many species across leafy and fruity plant categories. Across all these markets, there is an overall trend of rising expectations in terms of both quality and seasonal availability. We help growers meet the requirements of their customers – whether consumers, retailers or processors – while improving their productivity and sustainability.

At Seed Co, we continue to be the most collaborative and trusted seed player in the sector, building long-term partnerships and earning trust of the stakeholders. We are sincerely fostering a culture of collaboration, partnering with farmers, distributors and retailers.

As we make efforts with HM Clause to scale up our research and innovation capabilities, we are also deepening our understanding of farmers' requirement and circumstances. We also conducting seasonal surveys at country level to understand farmers needs and satisfaction on our brands. This direction supports our focus to improve seed development, helping farmers enhance their output.

Our network of distributors and retailers form an integral part of our value chain. Our marketing teams promote our brand stewardship, educating the distributors and retailers about each product benefit, imparting technical, safety and environmental knowledge to pass the benefits to the farmers. This has helped enhance our brand with commitment to drive a sustainable agrarian economy.

Farmers learn about new vegetable varieties at a field day in Zambia

Seeing is believing as we show farmers our high performance products at field days

We are committed to supplying high quality seeds with high purity and germination

SMALL GRAIN CROPS

Seed Co farmers are being encouraged and trained to grow small grains in addition to maize, the country's staple crop, because of small grains' resistance to erratic weather.

Small grains are cereal crops such as wheat, sorghum, and barley. They're hardy plants and require relatively little water, making them more drought resistant. Maize is vulnerable to low rainfall, so agriculture experts and nutritionists alike are encouraging and training farmers to take up small grains farming as a solution to food insecurity in Africa. In turn, small grains production is increasing on the continent.

Livelihoods of small holder farmers depend on rain-fed agricultural production, so planting small grain alongside maize in unpredictable weather patterns can mitigate risk as small grains require less water.

Seed Co small grain cereals should also be included in rotations on small-scale farms. Not only may the grain be used for human food, but they are also useful for livestock feeding and silage. A break of two or three years between sorghum crops is recommended because sorghum is susceptible to nematodes. Rotate with broadleaf crops, like soyabean or groundnut.

Our small grain have been breed to resist diseases, is more resilient to severe weather conditions and produces more organic material from each hectare. Also, farmers are able to plant two crops a year instead of one because our varieties have a shorter production time than alternative crops.

Dr. Soko educates farmers on how to grow a sorghum variety

Seed Co sorghum varieties on show at a field day

Farmers walk through Seed Co sorghum varieties on show at a field day in Zambia

ARTIFICIAL SEED MAIZE DRYER

Drying Plant consisting of receiving, hand sorting, drying, and shelling facilities. The plant is being constructed at No. 1 Shamwari Road, Stapleford, Westgate, Harare. The plant is expected to be complete by December 2020

The technology that Seed Co Limited is installing will address seed drying challenges. Seed growers would be in a position to double crop their fields (summer & winter crop), thereby enjoying higher returns per unit area. Seed Co Limited would exploit other warmer seed maize planting windows thereby taking advantage of export opportunities and bring into the country the much needed foreign currency. In addition, the Artificial Seed Drying Plant will have the benefit of minimizing importation of seed as has been the case in the past. It is also expected that the current plant utilization (seed cleaning, treating & packing) will increase from 60% to 80% i.e. from volumes of 15,000mt to 20,000mt out of a maximum plant capacity of 25,000mt of maize seed. Above all, this latest technology will put Seed Co Limited at par with other leading global seed players who have employed such technology elsewhere.

Seed maize will be harvested at 32 to 35 % moisture content (MC), de-husked on-farm, delivered to the plant and artificially dried over 4 to 5 days down to shell-able 13 % MC. After shelling the seed will be run through a seed cleaner, treater and packing in a single pass process and ready to be dispatched on to the trade network within the shortest time period. The other advantage of an artificial drier is it locks the best possible seed quality at 35% MC, preventing quality erosion due to forces of natural drying and emerging cob rots.

Estimated Project Completion Date – December 2020


Overall Project Completion – 73 %


Wet Seed Maize Cobs Sorting Tables/Conveyors

COVID-19 PANDEMIC

The pandemic is impacting global food systems, disrupting regional agricultural value chains, and posing risks to household food security.

Seed Co has been at the forefront of the COVID-19 battle and the earliest to have taken broad action. Total movement control or “lockdown” has been successful in containing the spread of the virus, although admittedly at some inconvenience. This “lockdown” approach has been adopted by most countries we operate in and subsequently this has disrupted parts of the supply chain.

In this regard, it is also important that governments view agricultural activities and farm workers as providing “essential” services and be exempted from some of the total lockdown measures.

Africa is characterized by diverse food systems and a multiplex of supply chains. Under normal circumstances, food security is already threatened by a multitude of factors. We have therefore started by reaching out to marginalised communities during the lockdown through donation of maize meal following reports that many people required urgent food aid.

COVID-19 poses a major threat to global food security. The most at-risk populations in most emergency situations are those that are already struggling with hunger, health, and poverty. These populations will be at great risk during a severe pandemic. In addition to these groups, many other households are vulnerable to the impact of a severe pandemic because of the way it may affect economic and social systems.

Seed Co is taking necessary actions to prepare for a severe pandemic as the world faces greater difficulties in coping with the impacts of a spreading disease.

Maize meal on its way to relieve people under lockdown in vulnerable communities

Maize meal packs ready for distribution

Donation of maize meal to a children’s home

SEED CO GOVERNANCE AT A GLANCE

Leadership

Sets out the Group's governance structure as well as the function and operation of the Board

The role of the Board

- Leadership of the Group
- Meets 4 times a year
- Schedule of matters reserved for the Board

Division of responsibility

- Separation of roles of Chairman and Chief Executive
- Statement of division of responsibilities

The Chairman and Non-Executive Directors

- Independent Chairman
- Meetings of Non-Executive Directors held without Executives after each Board meeting

King IV Corporate Governance Code (2016)

Full compliance

Risk management and internal control

- Robust assessment of principal risks
- Effectiveness of risk management and internal control systems
- Viability statement

Audit-Risk Committee and auditors

- Audit Committee report
- Whistleblowing policy
- Review of need for internal audit function
- Recent and relevant financial experience

Financial and business reporting

- Annual report which is fair, balanced and understandable
- Auditor's report
- Business model description
- Going concern

Accountability

Explains the role of the Board and Audit Committee in maintaining effective risk management and internal control procedures

The level and components of remuneration

SEED CO GOVERNANCE AT A GLANCE

Group Chairman
David Long

Responsible for the leadership of the Board and its overall effectiveness and individual director performance.

Group Chief Executive
Morgan Nzwere

Responsible for the day-to-day running of the business. Recommends the Company strategy and commercial objectives to the Board. Overall responsibility for the executive team and implementing the Board's decisions.

Group Chief Finance Officer
John Matorofa

Responsible for managing the financial affairs of the Group. The GCFO's duties include tracking cash flow and financial planning as well as company's finances, management of financial risks, and financial reporting.

Group Board

Provide leadership to promote the long-term sustainable success of the Company.

Accountable to shareholders, to ensure the Company generates value to shareholders and contributes to wider society.

Review the Company's purpose, values and strategy and alignment with the Company culture.

Review the performance of the Group.

Group Company Secretary
Terrence Chimanya

Advises the Board on governance, and ensures a good information flow between the Executive Committee and Board. Acts as Secretary to all Board Committees.

Audit Committee

Chairman: Michael Ndoro

Membership: 3
Non-Executive Directors

Monitors the integrity of the financial statements and all financial reporting. Oversees the Group's risks and controls, and maintains the relationship with the external auditor.

Remuneration Committee

Chairman: Pearson Gowero

Membership: 3
Non-Executive Directors

Determines the policy for executive director remuneration and quantum, including bonus and LTIP awards. Responsible for setting annual performance objectives.

Nomination Committee

Chairman: Pearson Gowero

Membership: 3
Non-Executive Directors and the Chairman

Leads the process on board appointments, and ensures succession planning for the Board and senior executives. Leads the annual board performance evaluation.

Advisory and Production Committee

Chairman: Michael Ndoro
Membership: 5
Non-Executive Committee Members

The Advisory and Production Committee augment the knowledge and skills of the formal Seed Co Limited Board of Directors in order to more effectively guide the organisation on production and operational matters.

Executive Committee

Chairman: Morgan Nzwere

Responsible for oversight of day to day operational matters and contributes to the long-term evolution of strategy.

SEED CO GOVERNANCE AT A GLANCE

Board of Directors
The Board is collectively responsible for strategy, performance, risk management and sustainability

Board Committees
Certain functions of the Board and decision-making powers are delegated to the Board Committees

Audit Committee
- Financial reporting
- Monitor external auditors
- Risk and internal control

Remuneration Committee
- Remuneration policy
- Annual remuneration including bonus and LTIP awards
- Set annual performance objectives

Nomination Committee
- Succession planning
- Recommend candidates
- Board performance evaluation
- Diversity

Advisory and Production Committee
- Guide the organisation on production and operational matters

Group Chief Executive

Group Executive Committees
The Executive Committee have responsibility for setting and executing certain strategic outcomes overseen by the Chief Executive

Executive Committee
- Implementation of long-term Group strategy
- Day-to-day operational matters
- Implementing 7 Seed Co Ps:
  -People
  -Process
  -Penetration
  -Proliferation
  -Product
  -Partnership
  -Profits

SEED CO GOVERNANCE AT A GLANCE

Relations with Shareholders & Stakeholders

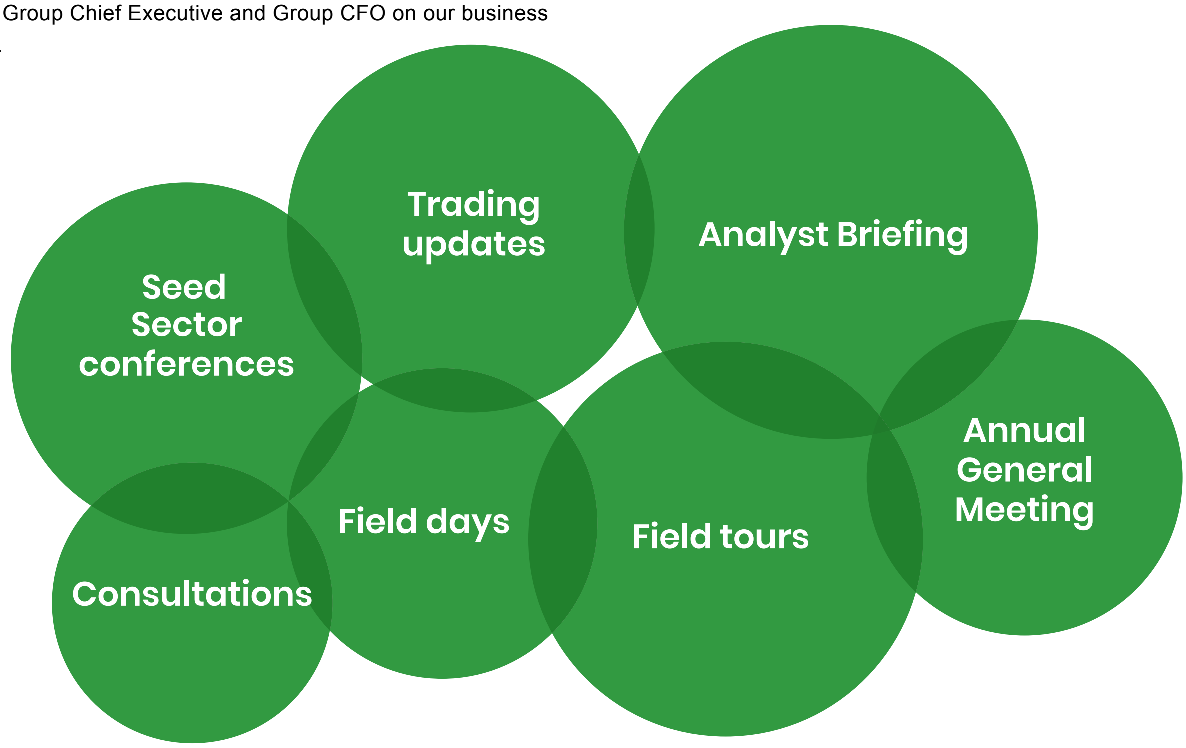
The SCL Board considers regular contact with our shareholders to be an important aspect of corporate governance. Investor Relations Management is the responsibility of the Group Chief Executive assisted by Group Secretary.

During the year, the Chief Executive held meetings with institutional investors, comprising both current and potential shareholders as well as equity market analysts. Meetings involved either group or individual presentations. The Chief Executive also attended SBU Field days and tours which provide an opportunity to see our biological assets, understand management strategy, and to meet the SBU senior leadership team. Feedback from these meetings is provided to the Board.

Directors are usually present at the AGM and available to answer questions from shareholders. Our AGM includes a presentation from the Group Chief Executive and Group CFO on our business activities.

Live audio webcasts with replay facilities are available for the annual and half year results presentations to analysts as this is usually recorded by Media Houses. A live-streamed video webcast will be available for the 2020, and subsequent, analyst results presentation.

During the year, we have undertaken a number of engagement activities with shareholders and stakeholders however some activities have been cancelled due to the covid-19 pandemic.



GOVERNANCE STATEMENT

OUR GOVERNANCE PHILOSOPHY

At Seed Co Limited, governance is a crucial part of the way we work - not just in what we do across our operations in Zimbabwe, but in how we act, how we speak to each other and how we evaluate behaviour. Our culture stemming 80 years and values are aligned with, and support, good governance practices in line with King IV Code of Corporate Governance and international best practice. We recognise the value of strong culture in driving long-term value creation for all stakeholders. Today, it's at the core of how we deliver our purpose and strategy. You will see our culture reflected in the way we work, the decisions we take, the courage we show in challenging situations and the legacy we leave. Within Seed Co the strongest cultures are set right from the top working together with our Board and Group Chief Executive Officer consistently demonstrate behaviour aligned with our values. Core to this is fostering a performance environment, where the way something is achieved is as important as what is achieved. Supporting this is a strong belief that culture can be actively shaped through a focus on what we prioritise, what we measure, what we reward and who we appoint. In developing our corporate governance framework, the Board considers the standards of corporate governance applicable in each of the countries in which we are listed. As Seed Co we continue to commit to the better of the standards of corporate governance that apply to us across these jurisdictions, which leads to the best outcome from a governance perspective, for our stakeholders. In this Corporate Governance Statement, we explain the corporate governance framework and practices we have adopted and how they are applied in our day to day operations. Defined terms in this Corporate Governance Statement are consistent with those in our FY19 – FY20 Annual Report. As part of our 80th birthday celebrations this year best practice governance remains an aspirational journey and some areas will continue to receive focus in the next coming few years. The application of King IV principles continues to drive the way we do business and the accountability offered by the Board. The Board has in the FY received and reviewed the King IV checklist which they are happy with its implementation across the Group as they continue to ensure the prevalence of good governance in our operations.

OUR APPROACH TO CORPORATE GOVERNANCE

The Seed Co Group Board is deeply invested in providing effective and ethical leadership to the Group and has spent a great deal of time during the year reflecting on how best to structure its membership given the challenges facing business, digital disruption, persistent tough trading conditions, structural changes in the Agri business space and the Covid 19 pandemic affecting the world at large. The Seed Co Group Board has in the past financial year retained effective control of the business through a clear governance structure that has enhanced Group Committees to assist in accordance to our Corporate Governance Framework and King IV. Seed Co Group enacts corporate governance to ensure proper management, a responsive and transparent management structure and growth to be the African Seed Company. We have initiated various measures to ensure independence and strengthen the surveillance powers of the Group Board. Accordingly, we continue to promote the entrusted delegation of authority system to separate the decision-making and execution functions of Executive Management and the Board. The Board in its entirety recognises that delegations of authority are a fundamental requirement for the success of our business and does not reduce the responsibility of Directors to discharge statutory and common law fiduciary duties. The Group has also ensured that majority of our Directors to the Board are independent and external Directors, which heightened the Board's independence and accountability functions. The Seed Co Board remains committed to strong and ethical leadership, and to consistent action within a governance framework that is built on the principles of honesty, integrity and accountability. The corporate governance structure of the Group (See figure) is regularly reviewed to ensure that the Board exercises effective and ethical leadership, conducts its affairs as a good corporate citizen and takes appropriate decisions to ensure the long-term sustainability and value creation of the business. The Board retains overall responsibility for the concept of integrated thinking as encapsulated in the King Report on Corporate Governance™ for South Africa 2016 (King IV™), which underpins corporate citizenship, stakeholder inclusivity, sustainable development and integrated reporting. The Board is confident that the Group's governance framework, including all its related Board structures and administrative and compliance processes have continued to contribute to ongoing value creation by driving:

- Accountability to our shareholders and various stakeholders
- Sound leadership and effective decision-making
- Strong risk management and risk mitigation
- Comprehensive and transparent integrated reporting
- A remuneration policy that builds a winning productive and resilient team through the development and retention of top talent and incentivises in line with the Group's strategic objectives

The Board supports the materiality approach, which emphasises integrated reporting based on issues, risks and opportunities that can have a material impact on the sustainable performance of the business over the short, medium and long term. Details of the material issues and related risks identified and managed by the Group are set out on pages 31 & 32 of this annual report. As a business we continue to encourage regular reviews our governance structures in line with best practices and ensure that they support the effective decision-making processes and establish a corporate culture that is aligned with Seed Co's vision and purpose in the process foster sustainable growth.

GOVERNANCE STATEMENT

Legal and Operational Governance Compliance

The Board appoints the Group Chief Executive Officer (CEO) to run the Group on its behalf. The CEO is responsible for leading the implementation and execution of approved strategy, policy and operational planning, and serves as the principal link between Executive Management and the Board. The CEO is mandated to ensure that the day-to-day business affairs of the Group are appropriately managed by Executive management and that the necessary systems and controls are in place for effective risk management. The Seed Co Group Board recognises that risk management is an integral part of Group strategy, and delegates to Executive Management the responsibility of designing, implementing and monitoring the risk management plan. The Group continues to have a risk-based compliance framework which provides additional focus on compliance with priority legislation in Zimbabwe. Management considers and includes all material legislative requirements within the checklist and delegates this to the appropriate compliance owners across top and senior management levels. Furthermore, Seed Co fully complies with employment laws and practices and is committed to the protection of human rights.

BOARD OF DIRECTORS

Composition and structure

The Board has a unitary structure and, during the year under review, was comprised of a majority of independent Non-Executive Directors at all times. All Non-Executive Directors remain classified as independent. The Board meets at least four (4) times a year to consider the business and strategy of the Company. The Board, in collaboration with the Nominations Committee, has continued to focus on building a high functioning, resilient and diverse Board comprising members with the capability and capacity to provide fresh perspectives; relevant strategic input; to act independently of mind and to contribute to value-creation through their diverse experiences. The Board's Diversity Policy is based on factors such as geographical backgrounds, age, gender, race, experience and expertise. The Board believes that diversity and independence of mind lead to richer debate, disrupts group consensus and prevents group-think. Following internal reorganisation within the Directorate the Board has 11 Directors, of which two are Executive Directors, seven are independent non-executive directors and two are Non-Executive Directors.

BOARD OF DIRECTORS

DEB Long
Independent Non-Executive Chairman
MBA, LLB - Age 69

M Nzwere
Group CEO Executive Director
MBL, B Acc, CA (Z) - Age 54

J Matorofa
Group CFO Executive Director
MBA, B Acc, CA (Z), CA(SA) - Age 52

D Jacquemond
Non-Executive Director
CA - Age 63

RCD Chitengu
Independent Non-Executive Director
ACIMA, B.Comm - Age 49

P Spadin
Non-Executive Director
MBA, MSC, BSC - Age 54

Dr D Garwe
Independent Non-Executive Director
PHD,MSC,BSC - Age 53

P Gowero
Independent Non-Executive Director
MBA, BSC - Age 62

MS Ndoro
Independent Non-Executive Director
BSC - Age 55

F Ruwende
Non-Executive Director
MBA, BSc - Age 53

F Savin
Non-Executive Director
MSC, BSC - Age 59

GOVERNANCE STATEMENT

Following the internal reorganisation of the Seed Co Boards in Q3, **Chance Kabaghe and Andrew Barron** stepped down from the Board as Director of the company with effect from 14 November 20 but will continue sitting on the Board of Seed Co International Limited.

Chairman

The roles of the Chairman and Group Chief Executive Officer ("CEO") are separate with the Chairman being independent. The Chairman is appointed on a term of 3 years and is responsible for the effective leadership of the Board by fulfilling the role and functions in terms of King IV. The Board has ensured that a proper succession plan for the position of Chairman is in place. The Chairman sets the ethical tone for the Board and the company and provides overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, while at the same time being aware of the individual duties of Board members. The Chairman actively participates in the selection of new Board members, as well as overseeing the formal succession plan for Board members, the Group CEO and Executive Management.

The Board's annual work plan is formulated by the Chairman, who, in conjunction with the Executive Directors and the Group Company Secretary, sets the agenda for Board meetings while ensuring that Board minutes properly reflect Board deliberations and decisions. As the major point of contact between the Group CEO and the Board, the Chairman is kept fully informed of the day-to-day matters of interest to Directors and the Board, while maintaining an arm's length relationship. The Chairman maintains strong relations with the company's major shareholders and its strategic stakeholders in conjunction with the Group CEO and Group Executive team and continues to build and maintain stakeholders' trust and confidence in the company; and presides over shareholder meetings.

Group Chief Executive Officer

The Board has established a framework for delegation of authority and ensured that the role and function of the Group CEO has been formalised, and that the Group CEO's performance is evaluated against specified criteria on an annual basis. The Group CEO has developed and recommended to the Board a long-term strategy and vision together with the Board's annual business plans and budgets that support this strategy in order to generate satisfactory levels of shareholder value. The Group CEO has established the organisational structure for the company which is necessary to enable execution of its strategy whilst ensuring that the business continues to operate and perform effectively. In conjunction with the Board, the Group CEO ensures proper succession planning for Executive and Senior Management across the Group and associate companies as well as performance appraisals for Group Executives.

The company's performance and its conformance with compliance imperatives is monitored and reported to the Board by the Group CEO who formulates and oversees the implementation of company policies. In addition, the Group CEO sets the tone at Group Executive Committee level in providing ethical leadership and creating an ethical environment and maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of quality employees. With the assistance of the Audit and Risk Committee as well as the Group Company Secretary, the CEO ensures that the company complies with all relevant laws and corporate governance principles and applies all recommended best practices.

Board Committees

The Board has set up Committees to assist with fulfilling its responsibilities in accordance with the provisions of the Corporate Governance Manual and King IV. The Board has therefore delegated certain functions to the Audit and Risk Committee, Remuneration and Nomination Committee, and Advisory and Production Committee. The Board is nonetheless acknowledging that the delegation of authority to its committees does not detract and is not an abdication of the Board members' responsibilities. The Committees have Terms of Reference which are reviewed annually by the Board. These sets out the Committee's roles and responsibilities, functions, scope of authority and composition. In the April 2019 the Board approved amendments to the Board Committees and created the Advisory and Production Committee.

GOVERNANCE STATEMENT

Board Evaluations

The Board's policy is for Board and Committee assessments to be conducted annually, alternating between assessments undertaken internally by the peers themselves and by an external service in the following year. In line with King IV Code of Corporate Governance during the year under review, the Board undertook a Board Evaluation exercises to further refine effective ways of working as a Board. The collective output from these assessments and workshops will be utilised to continue to guide the Board in its ongoing deliberations as a collective.

Balance of Power and Director Independence

The Board places a premium on maintaining high levels of independent thinking and objective judgement by its members and, to this end, the independence of each Non-Executive director is assessed annually in this regard. In addition to assessing Non-Executive Directors against the criteria recommended by King IV™, the independence assessment takes into account whether the non-executive director has demonstrated an independent state of mind and objective judgement in relation to matters affecting the Group and whether the Non-Executive Director has an interest, position, association or relationship which, when considered from the perspective of a reasonable and informed third party, is likely to influence the director unduly or cause bias in the director's decision-making. Our suite of policies governing the management of conflicts of interests, the protection of confidential or price-sensitive information, and dealing in the Company's shares provides relevant guidance to our Board. Comprehensive registers of individual director's interests in and outside the Company are maintained and updated and signed by the directors, with details noted by the Board at each quarterly Board meeting. A Non-Executive Director is automatically recused from any decision-making where a cross-directorship exists or where a decision needs to be made and he had declared his/her conflict.

Summary of the Seed Co International Board Charter

The main functions of the Board as set out in the Board Charter are:

- ensuring that the company performs at an acceptable level and that its affairs are conducted in a responsible and professional manner;
- the adoption of strategic plans and ensuring that these plans are implemented by management;
- good corporate governance and implementation of the code of corporate practices and conduct as set out in the King IV Report and other best practice codes;
- monitoring of the operational performance of the business against predetermined budgets;
- monitoring the performance of management at both operational and executive level;
- ensuring that the company complies with all laws, regulations and codes of business practice;
- ensuring a clear division of responsibilities at Board level to ensure a balance of power and authority in terms of company policies;
- ensuring the integrity of the company's integrated annual report;
- appointing the Group CEO; and
- establishing a framework for the delegation of authority.

The Board confirms that it is satisfied that it has carried out its duties and responsibilities in compliance with its mandate and the Board Charter.

Board Appointments, Rotation and Retirement

Non-Executive Directors are subject to a nine-year term limit (i.e., three terms of three years) and Executive Directors are also subject to rotation in terms of the Company's Memorandum of Incorporation. Subject to continued eligibility determined by the Board in accordance with its policies and the Company's Memorandum of Incorporation, Directors may make themselves available for re-election by shareholders at the Annual General Meeting. The Board may, on an exception basis, agree to extend a non-executive director's tenure beyond nine years on the basis of there being good cause to do so Executive directors retire at the age of 70 in terms of the Group's retirement policy. The Board's rotation policy ensures that one-third of non-executive directors come up for re-election at each annual general meeting. The Board has continued to proactively seek and appoints qualified individuals who reflect a diverse range of skills, professions and backgrounds that represent the gender, race and ethnic diversity of the communities we serve. In the year under review the Board undertook an internal reorganisation and reduced the number of seats from 13 to 11. The Board is satisfied that its composition reflects an appropriate mix of qualifications, knowledge, skills, experience, diversity and independence. The Group's gender and racial diversity targets for its Board have been met.

Access to information

The Group's values reflect the Board's commitment to doing good business, for our customers, our people, and our planet. We strive to be customer obsessed, inspirational, responsible, collaborative and committed to quality across all our entities and geographies.The Board constantly reviews the information requirements of Directors to enable them to act in the best interests of the company, perform their duties and fulfil their fiduciary obligations responsibly. In order to make informed decisions, Directors must have adequate information and facts covering the matter at hand, which is included in a detailed Board pack that is provided well in advance of all meetings on the Diligent system the company is now using. All Board Members have continued to have access to company records, information, documents and property including unfettered access to Group at any time.

GOVERNANCE STATEMENT

Training and Continuing Development of Directors
With the assistance of the Board, the Chairman and the Group Company Secretary ensure that all Directors are appropriately made aware of their responsibilities through a tailored induction and training programme and ensure that a formal programme of continuing professional education is adopted by the Board. The Chairman is also responsible for ensuring the ongoing effectiveness, mentoring and development of the Board and individual directors while the Group Company Secretary sees to the orientation, ongoing training and education of Directors, including assessing the specific training needs of Directors and Executive Directors in their fiduciary and other governance responsibilities. Directors are provided with regular briefings on changes in risks, regulatory requirements, laws and the environment and are expected to keep abreast of developments in the business environment and markets that may have a material impact on the business.

Meeting attendance
A minimum of four Board meetings are held every year and, together with the quarterly committee meetings, take place over a period of two to three days every quarter. In addition, the Board receives a monthly update from the Group Chief Executive Officer, and Board teleconferences are held between the quarterly Board meetings for the purpose of discussing these updates from the Group Chief Executive as and when there is need too. The Q4 last Board Meeting of the Financial Year was held using digital frameworks such as Zoom, Google meet and Microsoft Meet, due to the Covid 19 Pandemic. The Board composition and attendance at Board and committee meetings are provided in the table below, which include the detail of the last online video Board Meeting.

Member	Board	Audit and Risk Committee	RC	APC
Number of meetings held	4	4	4	4
DEB Long	4/4		4/4	4/4
MS Ndoro	4/4	4/4	4/4	4/4
M Nzwere**	4/4	4/4*	4/4*	4/4*
AG Barron***	3/4			
RCD Chitengu	4/4	4/4		
Dr D Garwe	4/4			
P Spadin	3/4			
P Gowero	4/4		4/4	
D Jacquemond	4/4	4/4		
C Kabaghe***	3/4			
J Matorofa**	4/4	4/4*		
F Ruwende	4/4			
F Savin	4/4			

Attended on Invitation * Executive Director** Stepped Down from Board***

Group Company Secretary
Terrence Chimanya MSC, LLB (Hons), FCIS continued to serve as Group Company Secretary, maintaining an arms-length relationship with the Non-Executive Directors while remaining accessible to the Board to provide guidance and advice on Board and governance matters. He was also responsible for ensuring compliance with Board and committee procedures, terms of reference, and relevant legislation and regulations. The Board has assessed the competence and expertise of the Group Company Secretary and is satisfied that he has the appropriate qualifications, experience, and competence to carry out the duties on behalf of a public company. In accordance with the governance practices relating to company secretaries as advocated in King IV™, the Group Company Secretary is not a director of the Company and is deemed by the Board to be suitably independent. The Group Company Secretary is, in addition, responsible for the Group's governance, risk, compliance and legal functions and is supported by a suitably qualified team. He is responsible for coordinating all Board business, which includes:

•Implementing corporate governance processes.
•Facilitating the induction and professional development of Directors.
•Coordinating Board papers;
•The preparation of minutes; and
•Managing communications and filings.

Ethics Performance and Good Corporate Citizenship
The Group's values reflect the Board's commitment to doing good business, for our customers, our people, and our planet. We strive to be customer obsessed, inspirational, responsible, collaborative and committed to quality across all our entities and geographies that we operate in Africa. The Board's approach to ethical governance and good corporate citizenship is supported by our governance and ethics policies covering areas such as anti-bribery and corruption, whistleblowing, Code of Conducts, Declaration of interest, gifts, entertainment, insider trading, and price-sensitive information. Policies are reviewed annually and updated when necessary. The Board takes it upon itself to ensure that the Group remains accountable and transparent in all its dealings and to that effect, we shall actively combat corrupt practices wherever we encounter them, we shall not act anti-competitively and have zero tolerance for corruption in our midst. All our employees who whistle blow on malpractices are guaranteed protection. It is vital for the Board to understand whether our people believe, as we do, that we are a responsible and ethical corporate citizen. We continue to align with the UN Sustainable Development Goals (SDGs), as well as national development priorities of all the countries in which we operate. The social and ethical implications of manufacturing in a global supply base are seriously considered. All our suppliers and service providers, whatever their location, are bound by our Codes of Conduct which are aligned with the International Labour Organisation's conventions in relation to ethical trade and the Ethical Trade Initiative base code, as outlined in our Ethical Trade position statement. Suppliers undergo regular social compliance checks conducted by independent auditors or are required to supply audit reports from independent auditors, to ensure they meet the standards of the Codes.

Investor Relations and Communication with Stakeholders
Seed Co International is committed to transparent, inclusive and objective communication with our shareholders and stakeholders. Our Group Legal and Corporate Affairs Department is responsible for communication with institutional shareholders, the investing community.

Annual General Meetings
Board Members, External Audit Partner attend Annual General Meetings of the Company to respond to the shareholders questions. The Notice of the Seed Co 25th Annual General Meeting is available on page...of this report.

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 obligations 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 severely 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 the Group's 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 outdo the competition and strengthen the distribution network.

SEED CO GROUP VALUE-CHAIN COVID-19 INDUCED RISKS AND MITIGATING MEASURES

Value Chain Function	Risk	Mitigants
Human Resources	a) Covid-19 infections b) Leadership vacuum due to Covid-19 c) Lockdown extensions d) Labour mobility restrictions	• Raising Safety & Health awareness amongst employees through inter-alia: -strict observation of country measures. -disinfecting workstations and availing Personal Protective Equipment (PPE) to staff -Introducing small-sized shifts to enable social distancing at the workplace • Succession planning & leadership development • Capacity remote working (working from home) & staff rotation • Procure essential service movement permits for critical staff
Research & Development, Product Development And Quality Assurance	a) Failure to inspect and advance breeding & trial programs b) Failure to collect samples for quality assurance c) Closure of Government laboratories d) Failure to plant	• Procure essential service movement permits for critical staff • Use digital platforms to communicate with field staff and collect data remotely • Use authorized essential service couriers to collect and deliver samples • Lobby for the continued operation of Government laboratory services as part of essential service delivery • Plan for possible late planting and irrigation
Production & Processing	a) Shut supply chains (closed borders & suppliers) b) Failure to satisfy grower contracts c) Failure to process (inputs, labour & logistics)	• Advance ordering & supply chain substitution where possible to secure critical supplies • Advance exporting & import document processing • Secure funding early for inputs and seed deliveries • Assisting seed growers to also implement business continuity measures to mitigate disruption of seed production activities • Organize small-sized rotational shifts for seed processing factory workers
Marketing	a) End market affected by Covid-19 b) Recession c) Trade channels inaccessible d) No direct access to farmers e) Digital marketing gap	• Participate in CSR programmes targeted at Covid-19 • Farmer education on prevention & good hygiene practices through radio, tv, print and social media • Thought leadership – offer advice to Governments on seed distribution logistics under Covid • Introduce small packs to address affordability • Introduce Seed Co online shops • Introduce telesales • Agronomy webinars, radio, tv, print and social media campaigns to continue offering agronomy services to farmers • Maintain corporate & brand visibility through traditional & social media • Rollout digital marketing
Information Communication Technology	a) Cyber risk b) Systems downtime c) Business application remote access failure d) Data Centre access failure	• Enhance cyber security risk awareness • Implement firewalls and revamp endpoint antivirus rules • Increase server resources to allow failover • Implement dual backup internet links for shorter recovery • Revamping IT systems and security to enable remote working and communication with customers and other key stakeholders • Enforce data back-up on cloud • Invest in cloud-based data centres
Legal & Compliance	a) Force majeure b) Regulatory risk c) Workplace Covid-19 infections and legal suits	• Legal to review contracts in line with the pandemic • Stay abreast with regulatory changes taking place due to Covid-19 • Adopt e-document filing and sharing methods • Review and endeavour to comply with labour laws • Implement robust safety and health measures • Procure necessary indemnities within legal confines
Finance	a) FX risk and value erosion b) Liquidity crisis c) Credit risk d) Fall in product demand	• Review pricing models to balance affordability and value preservation • Enhance foreign currency management through limiting forex exposures and hedging structures • Reprioritize and defer capital expenditure as may be necessary • Procure working capital facilities early • Engage suppliers for Covid-19 sensitive credit terms • Negotiate early settlements with debtors • Relook at value-chain cost structure to reduce and/or eliminate non-critical expenditure • Aggressive credit control to mitigate defaults • Optimize production plans and stocking levels in line with anticipated demand • Reconfigure business model (free & defer expenditure) in response to demand shock

REPORT OF THE DIRECTORS

Dividends

Dividends declared are detailed in note 24.1 to the consolidated and separate financial statements.

Share capital

Authorised and issued share capital and any changes thereto are reflected in the Statement of Changes in Equity and in note 15.

Going concern

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Events after the reporting date

Events after the reporting date have been disclosed in Note 24 to the consolidated and separate financial statements.

Basis of preparation of inflation adjusted financial statements

The inflation adjusted financial statements have been prepared to the extent practically possible in accordance with International Financial Reporting Standards (IFRS) and in compliance with provisions of the Companies Act (Chapter 24:03) and any relevant local regulations. Further details on the basis of preparation of the financial statements are set out in note 2.1.

T.N Chimanya

Group Secretary

DIRECTORS' STATEMENT OF RESPONSIBILITY AND APPROVAL OF THE FINANCIAL STATEMENTS

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

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

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 such as the Statutory instrument number 33 of 2019 issued on 22 February 2019 and guidance issued by the Public Accountants and Auditors Board on 21 March 2019.

Compliance with Companies Act (Chapter 24:03) and Statutory instruments SI 33/19
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 including SI33 /19.

Compliance with International Financial Reporting Standards (IFRS)
The financial statements comply with the requirements of IFRS except for IAS 8 and IAS 21 (Effects of Changes in foreign exchange). It has been impracticable to comply in full to IAS 21. The directors are of the view that the requirement to comply with SI 33/19 issued on 22 February 2019 has created inconsistences with IAS 21 as well as with the principles embedded in the IFRS conceptual framework. The Group Financial statements have been qualified by the auditors because of this inconsistency with IAS 21.

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

Significant assumptions and estimation uncertainties relating to assets and liabilities carried at fair value
The significant assumptions and the estimation uncertainties pertaining to items that are carried at fair value have been disclosed in note 2 to these financial statements.

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

J Matorofa
Group Chief Finance Officer
12 June 2020

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Chartered Accountants (Zimbabwe)
Registered Public Auditors
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Independent Auditor's Report

To the Shareholders of Seed Co Limited

Report on the Audit of the Consolidated and Company Inflation Adjusted Financial Statements

Adverse Opinion

We have audited the consolidated and company inflation adjusted financial statements of Seed Co Limited and its subsidiaries (the Group), as set out on pages 41 to 84 which comprise the consolidated and company inflation adjusted statement of financial position as at 31 March 2020, and the consolidated and company inflation adjusted statement of comprehensive income , consolidated and company inflation adjusted statement of changes in equity and consolidated and company inflation adjusted statement of cash flows for the year then ended, and notes to the consolidated and company inflation adjusted financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying consolidated and company inflation adjusted financial statements do not present fairly the financial position of the Group and company as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

Group and Company – Matters impacting the Company and consequentially the Group

Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates in Prior Period and Inappropriate Application of IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors

As explained in note 2.1 to the inflation adjusted consolidated and company financial statements, the Group applied the United States Dollar (US$) as its functional currency for the period 1 April 2018 to 22 February 2019 and ZWL for the period 23 February 2019 to 31 March 2020. We however believe that the change in currency occurred prior to 22 February 2019. The consolidated and company inflation adjusted financial statements are presented in ZWL.

Zimbabwe witnessed significant monetary and exchange control policy changes in 2016 and increasingly through to 2019. The Reserve Bank of Zimbabwe (RBZ) together with the Ministry of Finance and Economic Development promulgated a series of exchange control operational guidelines and compliance frameworks during this period. Specifically, there was a requirement for banks to separate out FCA RTGS Accounts from the FCA Nostro US$ Accounts during October 2018. Although the rate was legally pegged at 1:1, multiple pricing practices and other transactions observed and reported publicly indicated exchange rates other than 1:1 between RTGS and the US$ amounts. In February 2019 there was a Monetary Policy statement which introduced the RTGS Dollar (RTG$) and the interbank foreign exchange market. Furthermore, Statutory Instrument 142 of 2019 specified that for all domestic transactions, the Zimbabwe Dollar (which comprises RTGS$, Bond notes and Bond Coins) was the sole legal tender effective 24 June 2019.

These events triggered the need for the Group and Company to assess whether there was a change in functional currency (from US$ to RTGS/ZWL) and to determine an appropriate spot rate as required by IAS 21.

We believe that events in the market and subsequent promulgation of the ZWL as a formal currency supports that there was a change in functional currency from US$ to ZWL and that transactions in the market indicated a different rate between the two currencies despite the legal 1:1 ZWL: US$ exchange rate and this occurred effective 1 October 2018.

Accordingly, as at 31 March 2019, the consolidated and company financial statements of the Group included balances and transactions denominated in US$ that were not converted to ZWL at a ZWL: US$ exchange rate that reflects the economic substance of its value as required by IFRS. The Group financial statements included the results of the foreign denominated associate translated at a non IFRS compliant rate. The directors have provided more information on their approach in Note 2.1 to the consolidated and company inflation adjusted financial statements.

In respect of the above matter we issued an adverse opinion in the prior year as the effects of the departure from IFRS were pervasive to the financial statements but could not be quantified owing to the nature of the matter.

Further contributing to the adverse opinion for both Group and Company in prior year was the disagreement on exchange rates used. The interbank exchange rate used to translate foreign denominated transactions and balances to the functional currency, ZWL, from 23 February 2019 to 31 March 2019. The same rate was also used to translate all financial statement elements from ZWL to USD presentation currency as at that date. The interbank rate does not meet the IAS 21 definition of a spot rate.

Lastly, the consolidated financial statements of the Group included the results of the foreign denominated associate translated at a non IFRS compliant rate.

Management has not restated the opening balances to resolve the matters which resulted in the adverse audit report in the prior period in accordance with IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors. Therefore, the prior year matters are continuing, except for the translation of financial statements from ZWL functional currency to USD presentation currency as management changed the presentation currency to ZWL for the year ended 31 March 2020.

As a result of these matters:

- All corresponding numbers are misstated on the consolidated and company inflation adjusted Statements of Financial Position, Cash Flows Profit or Loss and Changes in Equity.
- As opening balances enter into the determination of cash flows and performance, our current year opinion is modified in respect of the impact of this matter on the consolidated and separate inflation adjusted Statement of Cash Flows, Statement of Profit or Loss and Statement of Changes in Equity.
- The equity accounted results and the carrying amount of the foreign investment in associate are misstated in the consolidated inflation adjusted financial statements.
- Our opinion on the current period's consolidated and company inflation adjusted financial statements is also modified because of the possible effects of the above matters on the comparability of the current period's figures and the corresponding figures.

In addition to the impacts on the corresponding numbers, current year performance and cash-flows the matter continues to impact the balances on the consolidated and separate inflation adjusted Statement of Financial Position as many of these still comprise of amounts from opening balances. Whilst this matter might not affect all accounts in the statement of financial position the specific accounts and the portions affected by this matter have not been identified / quantified here. This is due to the further matters requiring modification (which have been discussed below) and which in combination with this matter result in virtually all amounts being incorrectly stated.

As a consequential impact, the application of IAS 29 is inappropriate. It is noted that the application of IAS29 was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers and start date been used, most elements of the consolidated and company inflation adjusted financial statements would have been materially different.

Valuation of Land and Buildings
The Group and Company's land and buildings are valued at ZWL516,304,304 on the Statement of Financial Position as at 31 March 2020. The land and buildings were valued using unobservable inputs denominated in the United States Dollar currency and converted to local currency using the interbank rate as per Note 2.3 to the inflation adjusted financial statements. There is a unique disconnect between the currency in which the rentals are being paid (ZWL) and the currency in which the properties are being valued (USD). We therefore disagree with management on the inputs used in the valuation, and we are unable determine the appropriate correct inputs and therefore cannot quantify the possible impact.

Accounting for blocked funds
Included in total liabilities for Group and Company of ZWL48,370,650 as disclosed on Note 18 and Note 19 to the consolidated and company inflation adjusted financial statements for the year ended 31 March 2020 are foreign balances denominated in the Group's functional currency at a rate of 1:1 as a result of local balances amounting to ZWL9,559,170 which are held with the central bank . This is in contravention of IAS 21 which defines 'foreign currency' as a currency other than the functional currency of the entity. Had the correct rate been used, amounts due to related parties on the statement of financial position and other income on the statement of comprehensive income would have been materially different.

The effects of the above departures from IFRS are material and pervasive to the consolidated and company inflation adjusted financial statements.

Additional Group Matters – Matters Impacting the Group Opinion Only
The group has 3 equity accounted investments which are accounted for in the Income Statement of Comprehensive Income Statement as Share of profit from associates and joint venture - 94 561 426 (2019 - 19 778 676); in the Statement of Comprehensive Income as Share of exchange differences from associate - (59 389 980) (2019 - (35 236 574)) and Share of revaluation from associate and joint venture -20 489 670 (2019 - 6 374 239); and in the Statement of Financial Position as Investment in associates and joint venture - 479 774 003 (2019-445 176 307) . The foreign associated comprises 22 101 602 (2019 – 10 406 998), (54 996 899) (2019- (34 865 326)), and 340 485 745 (2019- 385 239 825) of the Income Statement, Statement of Comprehensive Income and Statement of Financial Position of these amounts respectively and the two local equity investees comprise of the balance. In respect of these amounts equity accounted:

1. In the prior year the two local equity investees received adverse opinions for the same matters as the Company as outlined in the preceding section. The Group did not resolve those matters upon consolidation and thus equity accounted amounts which were not appropriate in terms of IFRS. This matter has not been resolved in the equity investees or the Group in the current period and as such our opinion remains modified in respect of those amounts included in the line items noted above.
2. In the prior year the results of the foreign associate were translated using interbank exchange rates which as discussed above are not appropriate and as a result the amount included was not in compliance with IFRS. This matter remains unresolved and contusing the current period and thus our opinion remains modified in respect of the amounts included for the foreign associate in the line items noted above.

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

The effects of the above departures from IFRS are material and pervasive to the consolidated and company inflation adjusted financial statements.

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

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, The Chief Executive Officer's Business Report, the Directors' Report and the Statement of Corporate Governance and Responsibility but does not include the consolidated and company and Company inflation adjusted financial statements and our auditor's report thereon. Our opinion on the consolidated and company 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. The Chairman's Statement, The Chief Executive Officer's Business Report, the Directors' Report and the Statement of Corporate Governance and Responsibility is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the consolidated and company inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 21, IAS 8 and IAS29, further, there is a disagreement on valuation of properties and accounting treatment of legacy debts. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Consolidated and company Inflation Adjusted Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and company inflation adjusted 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 consolidated and company inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company inflation adjusted 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 inflation adjusted Financial

Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and company inflation adjusted 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 inflation adjusted 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 inflation adjusted 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 inflation adjusted 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 consolidated and company inflation adjusted financial statements, including the disclosures, and whether the consolidated and company inflation adjusted 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 and company inflation adjusted 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 inflation adjusted 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, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying consolidated and company inflation adjusted financial statements have not 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 David Marange (PAAB Number 0436)

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare
29 July 2020

CONSOLIDATED AND COMPANY INCOME STATEMENT

		INFLATION ADJUSTED				HISTORICAL COST			
		GROUP		COMPANY		GROUP		COMPANY	
		2020	2019	2020	2019	2020	2019	2020	2019
	Note	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Revenue from contracts with customers	5	**1,076,267,591**	**563,446,797**	**1,076,267,591**	**563,446,797**	**536 934 153**	**72 586 008**	**536 934 153**	**72 586 008**
Cost of sales	11.2	(378,007,031)	(255,826,041)	(378,007,031)	(259,433,549)	(197 284 029)	(32 956 778)	(197 284 029)	(33 421 515)
Gross profit		**698,260,560**	**307,620,756**	**698,260,560**	**304,013,248**	**339,650,124**	**39,629,230**	**339,650,124**	**39,164,493**
Other income	6.1	218,887,672	22,648,619	239,951,084	22,648,619	156 491 065	2 917 707	160 798 469	2 917 707
Operating expenses	6.2	**(274 583 312)**	**(168 283 340)**	**(274 583 312)**	**(168 283 340)**	**(157 888 126)**	**(21 679 094)**	**(157 888 126)**	**(21 679 094)**
Sales and marketing costs		(39,041,692)	(41,659,556)	(39,041,692)	(41,659,556)	(21 745 400)	(5 650 442)	(21 745 400)	(5 650 442)
Administrative costs		(149,598,458)	(71,035,118)	(149,598,458)	(71,035,118)	(77 784 632)	(9 074 570)	(77 784 632)	(9 074 570)
Research costs		(66,892,944)	(54,869,064)	(66,892,944)	(54,869,064)	(39 307 876)	(6 861 379)	(39 307 876)	(6 861 379)
Credit losses		(19,050,218)	(719,602)	(19,050,218)	(719,602)	(19 050 218)	(92 703)	(19 050 218)	(92 703)
Operating profit		**642 564 920**	**161 986 035**	**663 628 332**	**158 378 527**	**338 253 063**	**20 867 843**	**342 560 467**	**20 403 106**
Finance income	6.3	4,142,172	13,697,294	4,142,172	13,697,294	1 481 269	1 764 553	1 481 269	1 764 553
Finance costs	6.4	(34,917,546)	(4,999,440)	(34,917,546)	(4,999,440)	(29 686 958)	(644 053)	(29 686 958)	(644 053)
Net monetary (loss)/gain		(695,999,351)	-	(695,999,351)	-	-	-	-	-
Share of profit from associates and joint venture	9.3 & 9.4	94,561,426	19,778,676	-	-	71 461 409	2 547 987	-	-
Profit before tax		**10 351 621**	**190 462 565**	**(63 146 393)**	**167 076 381**	**381 508 783**	**24 536 330**	**314 354 778**	**21 523 606**
Income tax expense	7.1	(130,735,210)	(36,891,486)	(130,735,210)	(35,954,253)	(68 416 516)	(4 752 544)	(68 416 516)	(4 631 805)
(Loss)/Profit from continuing operations		**(120 383 589)**	**153 571 079**	**(193 881 603)**	**131 122 128**	**313 092 267**	**19 783 786**	**245 938 262**	**16 891 801**
Profit from discontinued operations	28.1	-	537,326,290	-	-	-	69 221 035	-	-
(Loss)/Profit for the year		**(120 383 589)**	**690 897 369**	**(193 881 603)**	**131 122 128**	**313 092 267**	**89 004 821**	**245 938 262**	**16 891 801**
Attributable to:									
Equity holders of the parent		**(120 383 589)**	**690 897 369**	**(193 881 603)**	**131 122 128**	**313 092 267**	**89 004 821**	**245 938 262**	**16 891 801**
Earnings per share									
Basic earnings per share - cents	25	(49.19)	285.03			127.92	36.72		
Diluted earnings per share - cents	25	(48.78)	285.03			126.86	36.72		
Headline earnings per share - cents	25	(52.09)	63.38			125.18	8.17		

CONSOLIDATED AND COMPANY STATEMENTS OF OTHER COMPREHENSIVE INCOME

		INFLATION ADJUSTED				HISTORICAL COST			
		GROUP		COMPANY		GROUP		COMPANY	
		2020	2019	2020	2019	2020	2019	2020	2019
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
(Loss)/Profit for the year		**(120 383 589)**	**690 897 369**	**(193 881 603)**	**131 122 128**	**313 092 267**	**89 004 821**	**245 938 262**	**16 891 801**
Other comprehensive loss									
Items that may be reclassified subsequently to profit or loss (net of tax):									
Share of exchange differences from associate	9.3 & 9.4	(59,389,980)	(35,236,574)	-	-	(59 389 981)	(4 539 350)	-	-
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(59 389 980)**	**(35 236 574)**	**-**	**-**	**(59 389 981)**	**(4 539 350)**	**-**	**-**
Items that may not be reclassified to profit or loss in subsequent periods (net of tax):									
Revaluation of property, plant and equipment	8	668,347,133	390,451,847	668,347,133	390,451,847	866 486 464	50 299 942	866 486 464	50 299 942
Deferred tax on revaluation of property, plant and equipment	7.5	(165,215,411)	(100,553,254)	(165,215,411)	(100,553,254)	(195 175 514)	(12 953 768)	(195 175 514)	(12 953 768)
Share of revaluation from associate and joint venture	9.3 & 9.4	20,489,670	6,374,239	-	-	27 436 462	821 161	-	-
Net other comprehensive income that may not be reclassified to profit or loss in subsequent periods		**523 621 392**	**296 272 832**	**503 131 722**	**289 898 593**	**698 747 412**	**38 167 335**	**671 310 950**	**37 346 174**
Other comprehensive income for the year, net of tax		**464 231 412**	**261 036 258**	**503 131 722**	**289 898 593**	**639 357 431**	**33 627 985**	**671 310 950**	**37 346 174**
Total comprehensive income for the year		**343 847 823**	**951 933 627**	**309 250 119**	**421 020 721**	**952 449 698**	**122 632 806**	**917 249 212**	**54 237 975**
Attributable to:									
Equity holders of the parent		**343 847 823**	**951 933 627**	**309 250 119**	**421 020 721**	**952 449 698**	**122 632 806**	**917 249 212**	**54 237 975**

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

		INFLATION ADJUSTED				HISTORICAL COST			
		GROUP		COMPANY		GROUP		COMPANY	
		2020	2019	2020	2019	2020	2019	2020	2019
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
ASSETS									
Non-current assets	**Note**								
Property, plant and equipment	8	1,030,945,775	640,224,792	1,030,945,775	640,224,792	1,030,945,775	82,476,930	1,030,945,775	82,476,930
Investment in associates and joint venture	9.4	479,774,003	445,176,307	185,466,819	185,466,819	92,550,304	57,349,818	23,892,755	23,892,755
Non-current financial assets	10	5,114,646	136,191,253	5,114,523	136,191,137	5,114,538	17,544,833	5,114,524	17,544,818
		1,515,834,424	**1,221,592,352**	**1,221,527,117**	**961,882,748**	**1,128,610,617**	**157,371,581**	**1,059,953,054**	**123,914,503**
Current assets									
Inventories	11	631,985,238	174,250,064	631,985,238	174,250,064	151,294,156	22,447,757	151,294,156	22,447,757
Trade and other receivables	12	220,203,137	183,568,184	220,203,137	183,568,184	215,410,254	23,648,163	215,410,254	23,648,163
Amount due from related entities	13	9,481,805	71,419,318	9,481,805	71,419,318	9,481,805	9,200,590	9,481,805	9,200,590
Other current financial assets	10	-	116,437,068	-	116,437,068	-	15,000,000	-	15,000,000
Cash and cash equivalents	14	33,829,569	98,061,225	33,829,569	98,061,225	33,829,569	12,632,733	33,829,569	12,632,733
		895,499,749	**643,735,859**	**895,499,749**	**643,735,859**	**410,015,784**	**82,929,243**	**410,015,784**	**82,929,243**
Total assets		**2,411,334,173**	**1,865,328,211**	**2,117,026,866**	**1,605,618,607**	**1,538,626,401**	**240,300,824**	**1,469,968,838**	**206,843,746**
EQUITY AND LIABILITIES									
Equity									
Share capital		8,076,504	1,882,974	8,076,504	1,882,974	2,472,027	242,574	2,472,027	242,574
Share premium		396,288,873	378,451,720	396,288,873	378,451,720	53,484,674	48,754,027	53,484,674	48,754,027
Share based payments reserve	16	14,467,969	12,931,901	14,467,969	12,931,901	3,202,020	1,665,952	3,202,020	1,665,952
Asset revaluation reserve		523,621,392	-	503,131,722	-	739,735,757	40,988,345	711,478,134	40,167,184
Foreign currency translation reserve		(94,626,554)	(35,236,574)	-	-	(63,929,332)	(4,539,350)	-	-
Retained earnings		1,014,427,202	1,162,337,237	645,983,011	867,391,059	414,535,211	108,749,695	310,205,939	71,574,428
Total equity		**1,862,255,386**	**1,520,367,258**	**1,567,948,079**	**1,260,657,654**	**1,149,500,357**	**195,861,243**	**1,080,842,794**	**162,404,165**
Non-current liabilities									
Long-term borrowings	17	6,938,714	-	6,938,714	-	6,938,714	-	6,938,714	-
Deferred tax liability	7.4	362,757,974	146,462,131	362,757,974	146,462,131	202,805,230	18,867,977	202,805,230	18,867,977
		369,696,688	**146,462,131**	**369,696,688**	**146,462,131**	**209,743,944**	**18,867,977**	**209,743,944**	**18,867,977**
Current liabilities									
Short-term borrowings	17	57,764,478	-	57,764,478	-	57,764,478	-	57,764,478	-
Trade and other payables	18	10,837,184	10,076,343	10,837,184	10,076,343	10,837,184	1,298,084	10,837,184	1,298,084
Amount due to related entities	19	9,702,514	147,656,525	9,702,514	147,656,525	9,702,514	19,021,845	9,702,514	19,021,845
Provisions	20	27,830,952	27,086,115	27,830,952	27,086,115	27,830,952	3,489,367	27,830,952	3,489,367
Income tax payable		73,246,971	13,679,839	73,246,971	13,679,839	73,246,972	1,762,308	73,246,972	1,762,308
		179,382,099	**198,498,822**	**179,382,099**	**198,498,822**	**179,382,100**	**25,571,604**	**179,382,100**	**25,571,604**
Total liabilities		**549,078,787**	**344,960,953**	**549,078,787**	**344,960,953**	**389,126,044**	**44,439,581**	**389,126,044**	**44,439,581**
Total equity and liabilities		**2,411,334,173**	**1,865,328,211**	**2,117,026,866**	**1,605,618,607**	**1,538,626,401**	**240,300,824**	**1,469,968,838**	**206,843,746**

CONSOLIDATED STATEMENTS OF CASH FLOWS

		INFLATION ADJUSTED				HISTORICAL COST			
		GROUP		COMPANY		GROUP		COMPANY	
		2020	2019	2020	2019	2020	2019	2020	2019
Operating activities	**Note**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Profit before tax		10,351,621	190,462,564	(63,146,393)	167,076,381	381,508,783	24,536,330	314,354,778	21,523,606
Adjustments to reconcile profit before tax to net cash flows:									
Depreciation of property, plant and equipment	8	27,930,087	11,854,840	27,930,087	11,854,840	4,859,270	1,527,198	4,859,270	1,527,198
(Profit)/loss on disposal of property, plant and equipment	6.1	(1,782,477)	65,293	(1,782,477)	65,293	(1,385,087)	8,411	(1,385,087)	8,411
Share of profit from associates and joint venture	9.3 & 9.4	(94,561,426)	(19,778,676)	-	-	(71,461,409)	(2,547,987)	-	-
Share based payments	16	1,536,068	4,343,177	1,536,068	4,343,177	1,536,068	559,510	1,536,068	559,510
Dividend income	6.1	-	-	(21,063,412)	-	-	-	(4,307,404)	-
Finance income	6.3	(4,142,172)	(13,697,294)	(4,142,172)	(13,697,294)	(1,481,269)	(1,764,553)	(1,481,269)	(1,764,553)
Finance cost	6.4	34,917,546	4,999,440	34,917,546	4,999,440	29,686,958	644,053	29,686,958	644,053
Operating cash flows before working capital changes		**(25,750,753)**	**178,249,344**	**(25,750,753)**	**174,641,837**	**343,263,314**	**22,962,962**	**343,263,314**	**22,498,225**
Working capital adjustments:									
Increase in inventories		(457,735,174)	(68,353,227)	(457,735,174)	(64,745,719)	(128,846,399)	(8,805,602)	(128,846,399)	(8,340,865)
Increase in trade and other receivables		(36,634,953)	(141,667,535)	(36,634,953)	(141,667,535)	(191,762,091)	(13,482,570)	(191,762,091)	(13,482,570)
Decrease/(increase) in amounts owed by related entities		61,937,513	(7,435,098)	61,937,513	(7,435,098)	(281,215)	7,029,824	(281,215)	7,029,824
Decrease/(increase) in other current financial assets		116,437,068	(26,430,127)	116,437,068	(26,430,127)	15,000,000	25,757,278	15,000,000	25,757,278
Increase/(decrease) in trade and other payables		760,841	(6,512,270)	760,841	(6,512,270)	9,539,100	(812,750)	9,539,100	(812,750)
(Decrease)/increase in amounts owed to related entities		(137,954,012)	53,658,611	(137,954,012)	53,658,611	(9,319,331)	(971,439)	(9,319,331)	(971,439)
Increase/(decrease) in provisions		744,837	(7,754,265)	744,837	(7,754,265)	24,341,585	(998,943)	24,341,585	(998,943)
Cash generated from operations		(478,194,633)	(26,244,567)	(478,194,633)	(26,244,566)	61,934,963	30,678,760	61,934,963	30,678,760
Income tax paid		(20,087,644)	(58,960,471)	(20,087,644)	(58,960,471)	(8,170,119)	(7,595,580)	(8,170,119)	(7,595,580)
Net cash flows (utilised in)/generated from operating activities		**(498,282,277)**	**(85,205,038)**	**(498,282,277)**	**(85,205,037)**	**53,764,844**	**23,083,180**	**53,764,844**	**23,083,180**
Investing activities									
Proceeds from sale of property, plant and equipment		1,976,488	667,728	1,976,488	667,728	1,726,013	86,020	1,726,013	86,020
Purchase of property, plant and equipment	8	(196,821,378)	(33,101,555)	(196,821,378)	(33,101,555)	(87,182,571)	(4,264,307)	(87,182,571)	(4,264,307)
Investment in associate	9.4	-	(24,224,030)	-	(24,224,030)	-	(3,120,659)	-	(3,120,659)
Loans and receivables net receipts/(advances)		131,076,607	(2,879,291)	131,076,614	(2,879,291)	12,430,295	(5,289,485)	12,430,295	(5,289,485)
Dividends received	6.1	21,063,412	-	21,063,412		4,307,404	-	4,307,404	
Interest received	6.3	4,142,172	13,697,294	4,142,172	13,697,294	1,481,269	1,764,553	1,481,269	1,764,553
Net cash flows utilised in investing activities		**(38,562,699)**	**(45,839,854)**	**(38,562,692)**	**(45,839,854)**	**(67,237,590)**	**(10,823,878)**	**(67,237,590)**	**(10,823,878)**
Financing activities									
Proceeds from exercise of share options		1,031,533	4,348,544	1,031,533	4,348,544	1,031,533	302,937	1,031,533	302,937
Proceeds from borrowings	17	143,764,478	-	143,764,478	-	143,764,478	-	143,764,478	-
Repayments of borrowings	17	(79,061,286)	(500,000)	(79,061,286)	(500,000)	(79,061,286)	(500,000)	(79,061,286)	(500,000)
Dividend paid		(4,527,295)	(83,326,134)	(4,527,295)	(83,326,134)	(1,378,185)	(10,734,485)	(1,378,185)	(10,734,485)
Interest paid	6.4	(34,917,546)	(4,999,440)	(34,917,546)	(4,999,440)	(29,686,958)	(644,053)	(29,686,958)	(644,053)
Net cash flows generated from/(utilised in) financing activities		**26,289,884**	**(84,477,030)**	**26,289,884**	**(84,477,030)**	**34,669,582**	**(11,575,601)**	**34,669,582**	**(11,575,601)**
Net (decrease)/increase in cash and cash equivalents		(510,555,092)	(215,521,922)	(510,555,085)	(215,521,921)	21,196,836	683,701	21,196,836	683,701
Effects of monetary gains/(losses)		446,323,436	(91,666,830)	446,323,429	(91,666,831)	-	-	-	-
Cash and cash equivalents at beginning of year	14	98,061,225	405,249,977	98,061,225	405,249,977	12,632,733	11,949,032	12,632,733	11,949,032
Cash and cash equivalents at end of year	14	**33,829,569**	**98,061,225**	**33,829,569**	**98,061,225**	**33,829,569**	**12,632,733**	**33,829,569**	**12,632,733**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

INFLATION ADJUSTED	Note	Attributable to the equity holders of the parent									Non-controlling interests	Total equity
		Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Changes in ownership reserve	Reserves of a disposal group held for distribution	Total		
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
At 1 April 2018		**1,877,610**	**376,105,544**	**8,588,721**	**-**	**-**	**1,103,334,282**	**4,364,977**	**(131,904,102)**	**1,362,367,032**	**19,333,187**	**1,381,700,219**
Profit for the year		-	-	-	-	-	690,897,382	-	-	**690,897,382**	-	**690,897,382**
Other comprehensive income		-	-	-	-	(35,236,574)	296,272,831	-	-	**261,036,257**	-	**261,036,257**
Total comprehensive income		-	-	-	-	(35,236,574)	987,170,213	-	-	**951,933,639**	-	**951,933,639**
Exercise of share options		5,364	2,346,176	-	-	-	-	-	-	**2,351,540**	-	**2,351,540**
Share based payments	16	-	-	4,343,180	-	-	-	-	-	**4,343,180**	-	**4,343,180**
Dividend - in specie	28	-	-	-	-	-	(953,464,336)	-	-	**(953,464,336)**	-	**(953,464,336)**
Dividend - cash		-	-	-	-	-	(83,326,131)	-	-	**(83,326,131)**	-	**(83,326,131)**
Realisation of revaluation reserve through disposal		-	-	-	-	-	108,623,209	-	(108,623,209)	**-**	-	**-**
Derecognition of change in ownership interest	28	-	-	-	-	-	-	(4,364,977)	-	**(4,364,977)**	-	**(4,364,977)**
Recycling of foreign currency translation reserve on disposal	28	-	-	-	-	-	-	-	240,527,311	**240,527,311**	-	**240,527,311**
Derecognition of change in ownership interest	28	-	-	-	-	-	-	-	-	**-**	(19,333,187)	**(19,333,187)**
At 31 March 2019		**1,882,974**	**378,451,720**	**12,931,901**	**-**	**(35,236,574)**	**1,162,337,237**	**-**	**-**	**1,520,367,258**	**-**	**1,520,367,258**
Profit for the year		-	-	-	-	-	(120,383,589)	-	-	**(120,383,589)**	-	**(120,383,589)**
Other comprehensive income		-	-	-	523,621,392	(59,389,980)	-	-	-	**464,231,412**	-	**464,231,412**
Total comprehensive income		-	-	-	523,621,392	(59,389,980)	(120,383,589)	-	-	**343,847,823**	-	**343,847,823**
Exercise of share options		17,198	1,014,335	-	-	-	-	-	-	**1,031,533**	-	**1,031,533**
Capital redenomination		6,166,626	(6,166,626)	-	-	-	-	-	-	**-**	-	**-**
Share based payments	16	-	-	1,536,068	-	-	-	-	-	**1,536,068**	-	**1,536,068**
Dividend - scrip		9,706	22,989,444	-	-	-	(22,999,150)	-	-	**-**	-	**-**
Dividend - cash		-	-	-	-	-	(4,527,296)	-	-	**(4,527,296)**	-	**(4,527,296)**
At 31 March 2020		**8,076,504**	**396,288,873**	**14,467,969**	**523,621,392**	**(94,626,554)**	**1,014,427,202**	**-**	**-**	**1,862,255,386**	**-**	**1,862,255,386**

COMPANY STATEMENT OF CHANGES IN EQUITY

INFLATION ADJUSTED		Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
At 1 April 2018		**1,877,610**	**376,105,544**	**8,588,721**	**-**	**-**	**529,696,472**	**916,268,347**
Profit for the year		-	-	-	-	-	131,122,126	**131,122,126**
Other comprehensive income		-	-	-	-	-	289,898,592	**289,898,592**
Total comprehensive income		-	-	-	-	-	421,020,718	**421,020,718**
Exercise of share options	15	5,364	2,346,176	-	-	-	-	**2,351,540**
Share based payments	16	-	-	4,343,180	-	-	-	**4,343,180**
Dividend - cash		-	-	-	-	-	(83,326,131)	**(83,326,131)**
At 31 March 2019		**1,882,974**	**378,451,720**	**12,931,901**	**-**	**-**	**867,391,059**	**1,260,657,654**
Loss for the year		-	-	-	-	-	(193,881,603)	**(193,881,603)**
Other comprehensive income		-	-	-	503,131,722	-	-	**503,131,722**
Total comprehensive income		-	-	-	503,131,722	-	(193,881,603)	**309,250,119**
Exercise of share options	15	17,198	1,014,335	-	-	-	-	**1,031,533**
Capital redenomination		6,166,626	(6,166,626)	-	-	-	-	**-**
Share based payments	16	-	-	1,536,068	-	-	-	**1,536,068**
Dividend - scrip		9,706	22,989,444	-	-	-	(22,999,150)	**-**
Dividend - cash		-	-	-	-	-	(4,527,295)	**(4,527,295)**
At 31 March 2020		**8,076,504**	**396,288,873**	**14,467,969**	**503,131,722**	**-**	**645,983,011**	**1,567,948,079**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HISTORICAL COST	Note	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Changes in ownership reserve	Reserves of a disposal group held for distribution	Total	Non-controlling interests	Total equity
		Attributable to the equity holders of the parent										
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
At 1 April 2018		**241,883**	**48,451,781**	**-**	**2,821,011**	**-**	**139,315,976**	**562,318**	**(16,992,540)**	**175,506,871**	**2,490,597**	**177,997,468**
Profit for the year		-	-	-	-	-	89,004,824	-	-	**89,004,824**	-	**89,004,824**
Other comprehensive income		-	-	-	38,167,334	(4,539,350)	-	-	-	**33,627,984**		**33,627,984**
Total comprehensive income		-	-	-	38,167,334	(4,539,350)	89,004,824			**122,632,808**	-	**122,632,808**
Exercise of share options		691	302,246	-	-	-	-	-	-	**302,937**	-	**302,937**
Share based payments	16	-	-	559,510	-	-	-	-	-	**559,510**	-	**559,510**
Dividend - in specie	28	-	-	-	-	-	(122,830,000)	-	-	**(122,830,000)**	-	**(122,830,000)**
Dividend - cash		-	-	-	-	-	(10,734,485)	-	-	**(10,734,485)**	-	**(10,734,485)**
Realisation of revaluation reserve through disposal		-	-	-	-	-	13,993,380	-	(13,993,380)	**-**	-	**-**
Derecognition of change in ownership interest	28	-	-	-	-	-	-	(562,318)	-	**(562,318)**	-	**(562,318)**
Recycling of foreign currency translation reserve on disposal	28	-	-	-	-	-	-	-	30,985,920	**30,985,920**		**30,985,920**
Derecognition of change in ownership interest	28	-	-	-	-	-	-	-	-	**-**	(2,490,597)	**(2,490,597)**
At 31 March 2019		**242,574**	**48,754,027**	**-**	**40,988,345**	**(4,539,350)**	**108,749,695**	**-**	**-**	**195,861,243**	**-**	**195,861,243**
Profit for the year		-	-	-	-	-	313,092,268			**313,092,268**	-	**313,092,268**
Other comprehensive income		-	-	-	698,747,412	(59,389,982)	-			**639,357,430**	-	**639,357,430**
Total comprehensive income		-	-	-	698,747,412	(59,389,982)	313,092,268	-	-	**952,449,698**	-	**952,449,698**
Exercise of share options		17,198	1,014,335	-	-	-	-			**1,031,533**	-	**1,031,533**
Capital redenomination		2,209,753	(2,209,753)	-	-	-	-			**-**	-	**-**
Share based payments	16	-	-	-	-	-	-			**1,536,068**	-	**1,536,068**
Dividend - scrip		2,502	5,926,065	-	-	-	(5,928,567)			**-**	-	**-**
Dividend - cash		-	-	-	-	-	(1,378,185)			**(1,378,185)**	-	**(1,378,185)**
At 31 March 2020		**2,472,027**	**53,484,674**	**-**	**739,735,757**	**(63,929,332)**	**414,535,211**	**-**	**-**	**1,149,500,357**	**-**	**1,149,500,357**

COMPANY STATEMENT OF CHANGES IN EQUITY

HISTORICAL COST	Note	Share capital	Share premium	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
At 1 April 2018		**241,883**	**48,451,781**	**-**	**2,821,011**	**-**	**65,417,111**	**118,038,228**
Profit for the year		-	-	-	-	-	16,891,802	**16,891,802**
Other comprehensive income		-	-	-	37,346,173	-	-	**37,346,173**
Total comprehensive income		-	-	-	37,346,173	-	16,891,802	**54,237,975**
Exercise of share options	15	691	302,246	-	-	-	-	**302,937**
Share based payments	16	-	-	559,510	-	-	-	**559,510**
Dividend - cash		-	-	-	-	-	(10,734,485)	**(10,734,485)**
At 31 March 2019		**242,574**	**48,754,027**	**-**	**40,167,184**	**-**	**71,574,428**	**162,404,165**
Profit for the year		-	-	-	-	-	245,938,263	**245,938,263**
Other comprehensive income		-	-	-	671,310,950	-	-	**671,310,950**
Total comprehensive income		-	-	-	671,310,950	-	245,938,263	**917,249,213**
Exercise of share options	15	17,198	1,014,335	-	-	-	-	**1,031,533**
Capital redenomination		2,209,753	(2,209,753)	-	-	-	-	**-**
Share based payments	16	-	-	-	-	-	-	**1,536,068**
Dividend - scrip		2,502	5,926,065	-	-	-	(5,928,567)	**-**
Dividend - cash		-	-	-	-	-	(1,378,185)	**(1,378,185)**
At 31 March 2020		**2,472,027**	**53,484,674**	**-**	**711,478,134**	**-**	**310,205,939**	**1,080,842,794**

Nature and purpose of reserves

Share based payment reserve

The share based payment reserve is used to recognise the value of equity settled share transactions provided to executive directors and senior management as part of their remuneration.

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.

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.

Retained earnings

Retained earnings relate to the cumulative profits of the Group and Company from which dividends can be distributed to shareholders.

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 whose principal activities are the processing of agricultural seed on a commercial basis.

The consolidated and separate inflation adjusted financial statements of Seed Co Limited for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on 12 June 2020.

2. Significant accounting policies
2.1 Basis of preparation
The Group's consolidated financial results have been prepared under policies consistent with the requirements of the Companies Act (Chapter 24.03) and on a going concern basis. The consolidated financial results have been restated take account of inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies.

The Group prepares financial statements with the aim to fully comply with International Financial Reporting Standards (IFRS) which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). Compliance with IFRS is intended to achieve consistency and comparability of financial statements. However, it has been impracticable to fully comply with IFRS in the current and prior year, due to the need to comply with local legislation, specifically Statutory Instrument 33 of 2019. The Directors are of the view that the requirement to comply with the Statutory Instrument has created inconsistencies with International Accounting Standard (IAS) 21 (The effects of changes foreign exchange rates) as well as with the principles embedded in the IFRS Conceptual Framework (see also guidance issued by the Public Accountants and Auditors Board on 21 March 2019). This has resulted in the accounting treatment adopted in the 2019 and 2020 Financial Statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS.

Change in functional currency noted in prior year
In February 2019, the Reserve Bank of Zimbabwe announced a monetary policy statement whose highlights among other issues were:
- Denomination of real time gross settlement (RTGS) balances, bond notes and coins collectively as RTGS dollars. RTGS dollars became part of the multi-currency system.
- Promulgated that RTGS dollars were to be used by all entities (including the Government) and individuals in Zimbabwe for purposes of pricing of goods and services, record debts, accounting and settlement of domestic transactions.
- Establishment of an inter-bank foreign exchange market where the exchange rate would be determined on a willing buyer willing seller basis.

The monetary policy announcement was followed by the publication of Statutory Instrument (S.I.) 33 of 2019 on 22 February 2019. The statutory instrument gave legal effect to the introduction of the RTGS dollar as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be RTGS dollars at a rate of 1: 1 to the US dollar and would become opening RTGS dollar values from the effective date. As a result of the currency changes announced by the monetary authorities, the Directors assessed as required by International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates and consistent with the guidance issued by the Public Accountants and Auditors Board (PAAB) whether use of the United States dollar as the functional and reporting currency remained appropriate. Based on the assessment, the Directors concluded that the Group's transactional and functional currency had changed to the RTGS dollar. The Group adopted the RTGS dollar as the new functional currency with effect from 22 February 2019 using the interbank mid-rate of US$1: ZW$2.5

Following the change in functional currency in prior year, the Group applied the translation procedures applicable to the new functional currency prospectively, in accordance with IAS 21 from 22 February 2019. The Group translated the Statement of Financial Position at a rate of 1 US dollar to 1 RTGS dollar (in compliance with Statutory Instrument 33 section 4(1) d) with the exception of Nostro banks balances that were ring fenced in compliance with Exchange Control Directive RIT120/18 which separated Nostro FCA from local currency accounts. The translation of these foreign currency denominated balances resulted in day 1 exchange gain or losses which were recognised through Profit & Loss in 2019.

Further, on 24 June 2019, Statutory Instrument 142 of 2019 introduced the Zimbabwean Dollar (ZW$) which is at par with the bond notes and RTGS dollars, that is to say each bond note unit and each RTGS dollar is equivalent to a Zimbabwe Dollar, and each hundredth part of a bond note unit and each hundredth part of a RTGS dollar is equivalent to a Zimbabwean cent.

In this regard, the inflation adjusted financial statements are therefore presented in ZWL being the currency of the primary economic environment in which the Group operates and all values are rounded to the nearest ZWL$ except when otherwise indicated. The Comparative information is presented in ZWL which was converted from prior year numbers reported in USD then as follows:
- Transactions to 22 February 2019 at a rate of 1:1;
- ZWL$ transactions between 22 February 2019 and 31 March 2019 at 1:1;
- Foreign currency transactions between 22 February 2019 and 31 March 2019 at the ruling interbank exchange rate on the date of the transactions;
- Assets and liabilities at the closing interbank exchange rate i.e. US$1: ZWL$3.01; and
- Equity balances as an accumulation of the balances based on the exchange rates prevailing when the respective equity transactions arose.

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)
During the reporting period, the economy continued to face significant inflationary pressures as evidenced by a rising Consumer Price Index (CPI). The high year-on year inflation amongst other indicators outlined in IAS 29 resulted in a broad market consensus within the accounting and auditing profession that the Zimbabwe economy had met the characteristics of a hyperinflationary economy. The PAAB confirmed this market consensus and issued a pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019.

NOTES TO THE FINANCIAL STATEMENTS

These results have therefore been prepared in accordance with IAS 29 as if the economy had been hyperinflationary from 1 April 2019 being the commencement date of the current financial year. IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit

The Group adopted the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics Agency (ZIMSTAT) as the general price index to restate transactions and balances as appropriate. The indices and conversion factors used to restate these financials are given below.

Dates	Indices	Conversion Factors
31 March 2020	810.4	1.00
31 March 2019	104.4	7.76

The procedures applied in the above restatement of transactions and balances are as follows:

•All comparative figures as of and of the year ended 31 March 2019 were restated by applying the change in the index from 31 March 2019 to 31 March 2020.
•On 31 March 2020 any revaluation surplus that arose in previous periods was eliminated.
•The restated retained earnings at 31 March 2019 was derived as a balancing figure after the restatement of all the other items on the income statement and statement of financial position and the elimination of the revaluation surplus.
•At 31 March 2020; all monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at balance sheet date.
•Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 March 2020.
•The revalued amounts for property, plant and equipment are current as at year end and the opening balances and current additions, depreciation and disposals were restated, with the revaluation being calculated from the resultant differences between the restated amounts and the fair values at year end.
•Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred.
•Income statement items/transactions, including exchange gains/losses, except for depreciation and amortisation charges explained above, are restated by applying the monthly index for the year ended 31 March 2020;
•The allowance for expected credit losses has not been inflation adjusted in the current period but the prior period balance has been restated.
•Opening deferred tax was calculated as if IAS 29 had always been applied. It was calculated for temporary differences between tax bases of assets and liabilities and their carrying amounts expressed in the purchasing power at the opening balance sheet date. The calculated tax is then inflated to the purchasing power at the closing balance sheet date.
•The closing deferred tax position was calculated based on the applicable temporary differences between the tax base and the IAS 29-ad justed IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
•Current tax expense was restated using the increase in the general price index from the related month until the reporting date.
•Gains and losses arising from the net monetary position are included in the statement of profit or loss and in the statement of cash flows as non-cash items.
•All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.
•The inflation effects on cash and cash equivalents were shown separately in the reconciliation of cash and cash equivalents as this is not an actual cash movement for the Group.
•The Group considered the broad objectives of IAS 29 and IAS 7 to appropriately present and disclose the effects of inflation on cash and cash equivalents.

IAS 29 Discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to allow comparability during the transitional phase in applying the standard. Historical financial statements have not been audited either in the primary statements or notes to the financial statements.

2.2 Basis of consolidation

The consolidated inflation adjusted financial statements comprise the inflation adjusted financial statements of the Company and its associates and joint venture as at 31 March 2020. Refer to note 2.3a) for further details on accounting for associates and joint venture.

2.3 Summary of significant accounting policies

a) Investments in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint venture are accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associates or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associates and joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates or joint venture are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of its associates and joint venture is shown on the face of the statement of profit or loss after operating profit.

The financial statements of the associates and joint venture are prepared for the same reporting period as the Group. When 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 impairment loss on its investments in its associates and joint venture. At each reporting date, the Group determines whether there is objective evidence that the investments in the associates and joint venture are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the statement of profit or loss.

Upon loss of significant influence over the associates or joint control over the subsidiaries, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the investment in the associate or joint venture upon loss of significant influence or joint control respectively and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period
Or
• Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period
Or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

c) Fair value measurement
The Group measures non-financial assets such as property, plant and equipment at balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability
Or
• In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by 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 economic 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

The Group Finance Director determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon by the Group Finance Director after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and professional accreditation

Where available, the Group Finance Director also compares the fair value changes computed by external valuers with relevant external sources to determine whether the change is reasonable. As and when valuations are carried out, the Group Finance Director presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

The Group's Valuations rely on available market evidence as input for calculating property fair values. This includes transaction prices for comparable properties, rents and capitalisation rates. The market information available during the period under review was largely denominated in the US$ currency. As such, the valuers relied on US$ based evidence and produced valuations which are denominated in that currency. The Group adopted the approach of converting the resultant USD valuations at the Inter-Bank rate on the date of valuation, to calculate ZWL property values which were then included in the 2020 Financial Statements.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in note 26.

d) Revenue recognition
The Group is in the business of selling seeds to retailers, farmers and government entities.
Revenue from contracts with customers is recognised when control of the seeds are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those seeds. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the seeds before transferring them to the customer.

Revenue from sale of seed is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the seed. The normal credit term is 90 days from delivery.

The Group considers that there are no other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Revenue is measured at the amount of the transaction price that is allocated to the performance obligation taking into account the effects of variable consideration and the existence of significant financing component.

Variable consideration

Rights of return
Certain contracts provide a customer with a right to return the seeds within a specified period. The seed selling season is generally concluded within the financial year and returns are finalised by financial year end therefore the Group does not generally need to estimate the volume of seeds that will not be returned to predict the amount of variable consideration to which the Group will be entitled.

The requirements in IFRS 15 on constraining estimates of variable consideration are largely not applicable for the following reasons:
- Minimal impact of market volatility, legal and regulatory changes on seed returns/pricing;
- Weather conditions known by financial year end therefore most returns would have taken place by then if any;
- The Group has extensive experience with similar contracts;
- The Group does not offer a broad range of price concessions or highly varied payment terms;
- Contracts do not have a large number and broad range of possible consideration amounts;
- The uncertainty about the consideration amount (if any though unlikely) can be resolved quickly.

There are no performance obligations beyond the reporting date therefore no right of return assets and refund liabilities are recognised in the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Volume rebates
The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. Third party distributors/stockists who onward sell large seed volumes are paid a commission by the entity at the end of the selling season and all that is normally completed within the financial year. The Group does not generally need to estimate the variable consideration for the expected future rebates and does not recognise refund liabilities for the expected future rebates due to the non-existence of performance obligations beyond the reporting date.

Significant financing component
Generally, the Group receives payments from its customers within twelve months of the date of delivery. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Prepaid receipts from customers are a contract liability.
Assets and liabilities arising from rights of return
Right of return assets
Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

e) Taxes
Current Income Tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at 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 equity and not on the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when 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 tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

NOTES TO THE FINANCIAL STATEMENTS

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it 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 tax assets 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT)
Expenses and assets are recognised net of the amount of VAT, except:
- When the VAT inurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

f) Foreign currency translation
The Group's consolidated inflation adjusted financial statements are presented in Zimbabwe Dollars (ZWL$), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date with the resulting differences arising on settlement or translation of monetary items recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

g) Dividend distribution to equity holders of the parent
The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Zimbabwe, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Dividends declared after the reporting date are not recognised as a liability in the consolidated and separate statement of financial position.

h) Property, plant and equipment
Construction in progress is stated at cost. Such cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, borrowing costs for long-term construction projects if the recognition criteria are met 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.

All other classes of property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency, usually within a period of five years, to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

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

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset 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 surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is not provided on freehold land and capital projects under development. Depreciation on other asset classes is calculated on a straight-line basis, up to the estimated residual values, over the estimated useful lives of the assets, as follows:

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Leases
IFRS 16 – Year ended 31 March 2020
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. The Group did not recognise any right-of-use assets or lease liabilities during the year as a result of applying the exemptions mentioned above.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging 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.

IAS 17 – Year ended 31 March 2019
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Group as a lessee
A lease is classified at the inception date as a finance lease or an operating lease.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between 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 recognised in finance costs on the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging 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.

j) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

k) Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets - Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (e) Revenue from contracts with customers.

Subsequent measurement
For purposes of subsequent measurement, the Group's financial assets are classified as financial assets at amortised cost (debt instruments).

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:
• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
And
•The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, amounts due from related parties and loans and receivables included under other current financial assets. For more information on each of these, refer to notes 10, 12 and 13.

Derecognition of financial assets
•A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when: The rights to receive cash flows from the asset have expired

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all its debt instruments at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For treasury bills, the general approach outlined in IFRS 9 is used to calculate the ECL. The country default rate as prescribed by the RBZ has been used as the Probability of Default (PD). All treasury instruments will be designated initially in stage one as directed by the RBZ.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. There is no staging under the simplified model.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Receivables, together with the associated allowance 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 write-off is later recovered, the recovery is credited to other income in profit or loss.

Further disclosures relating to impairment of financial assets are also provided in notes 10.6, 12.6 and 13.3.

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition as loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement
For purposes of subsequent measurement, the Group's financial liabilities are classified as loans and borrowings.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 17.

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) 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:
- Raw materials: purchase cost on a weighted average cost basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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.

m) Research and development
Costs relating to research and development of new seed products are written off as incurred since the distinction between the two is indeterminable in practice.

n) 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 indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash generating unit to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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 each cash generating unit (or group of cash generating units) to which the goodwill relates. When the recoverable amount of the cash generating units is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

The Group did not have any goodwill in the current year and in the prior year.

Further disclosures relating to impairment of non-financial assets are provided in note 8.1.

o) Cash and cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

p) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

q) Pensions and other post-employment benefits
Retirement benefits are provided for Group employees through self-administered defined contribution funds in the respective countries. The cost of retirement benefits for the defined contribution fund is equivalent to the actual amount of the contribution for private pension funds and the legislated contributions for government pension funds. The cost of all retirement benefit contributions is expensed in profit or loss as incurred.

r) Share based payment transactions
Senior executives of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense together with a corresponding increase in equity over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

2.4 Changes in accounting policies and disclosures

The Group applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated inflation adjusted financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases
IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Group has lease contracts for various items of property, plant and equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets.

Refer to Note 2.3 (i) Leases for the accounting policy prior to and beginning on 1 April 2019.

The Group did not have any existing leases previously classified as operating leases therefore no changes were required in that regard at the date of initial application.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:
• Whether an entity considers uncertain tax treatments separately;
• The assumptions an entity makes about the examination of tax treatments by taxation authorities;
• How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
• How an entity considers changes in facts and circumstances.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated inflation adjusted financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation has had no material impact and additional disclosures have been included where appropriate.

Amendments to IFRS 9: Prepayment Features with Negative Compensation
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated inflation adjusted financial statements of the Group.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

NOTES TO THE FINANCIAL STATEMENTS

The amendments had no impact on the consolidated inflation adjusted financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

Amendments to IAS 28: Long-term interests in associates and joint ventures
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated inflation adjusted financial statements as the Group does not have long-term interests in its associate and joint venture.

Annual Improvements 2015-2017 Cycle
IFRS 3 Business Combinations
The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated inflation adjusted financial statements of the Group as there is no transaction where joint control is obtained.

IFRS 11 Joint Arrangements
An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

These amendments had no impact on the consolidated inflation adjusted financial statements of the Group as there is no transaction where a joint control is obtained.

IAS 12 Income Taxes
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated inflation adjusted financial statements of the Group.

IAS 23 Borrowing Costs
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated inflation adjusted financial statements of the Group.

2.5 Standards and interpretations in issue not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's inflation adjusted financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that
issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IFRS 3: Definition of a Business
In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

Conceptual Framework for Financial Reporting
For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

Purpose
The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Key provisions
The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards.

The Conceptual Framework is accompanied by a Basis for Conclusions. The Board has also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the Conceptual Framework. In most cases, the standard references are updated to refer to the Conceptual Framework. There are exemptions in developing accounting policies for regulatory account balances for two standards, namely, IFRS 3 and for those applying IAS 8.

Impact
The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event.

NOTES TO THE FINANCIAL STATEMENTS

3. 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.

The key judgements, estimates and 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:

Revaluation of property, plant and equipment

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 market comparable approach.
Plant and equipment: values were determined using the cost approach using the depreciated replacement cost of the assets.

Refer to note 2.3c, note 2.3h and note 26 for more information on the estimates and assumptions used to determine the fair value of property, plant and equipment and note 8 for the carrying amount of property, plant and equipment.

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. Significant inputs and key assumptions used to determine fair value are further disclosed in note 16.

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 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 to note 7 for more information on taxation.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in note 12.6.

Translation of foreign denominated monetary items and financial statements of foreign associate for equity accounting purposes

The Group and Company translate foreign denominated monetary assets and liabilities at the ruling interbank rate on the transaction date. At the end of each period, existing foreign denominated monetary assets and liabilities are translated at the closing interbank rate with the associated gain or losses recognised through profit and loss.

Foreign monetary liabilities designated by the Reserve Bank of Zimbabwe as "blocked funds" or "legacy debts" were maintained at 1:1 to the US$.

For equity accounting purposes, the Group's foreign associate financial performance was translated at the average interbank rate for the period.

NOTES TO THE FINANCIAL STATEMENTS

4 GROUP INFORMATION

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

4.2 Entity with significant influence over the Group
Vilmorin & Cie owns 29.17% of the ordinary shares in Seed Co Limited (2019: 29.36%).

4.3 Associates and joint ventures
The consolidated financial statements of the Group include:

			% of equity interest	
Name	**Principal Activities**	**Country of Incorporation**	**2020**	**2019**
Seed Co International Limited	Field seeds	Botswana	27%	27%
Niculata Investments (Pvt) Ltd t/a Prime Seed Co Zimbabwe	Vegetable seeds	Zimbabwe	51%	51%
Quton Seed Company (Pvt) Ltd t/a Quton Zimbabwe	Cotton seeds	Zimbabwe	40%	40%

4.4 Related parties
Related parties comprise the following entities and persons:

4.4.1 Related entities

Name	Nature of relationship	Country of incorporation and principal place of business
Vilmorin & Cie	Shareholder with significant influence	France
Mahyco	Co-shareholder in associate	India
HM Clause	Joint venture partner	France
Seed Co International Limited and its subsidiaries	Associate	Zambia, Malawi, Tanzania, Kenya, Botswana, South Africa, Rwanda, Nigeria, Ghana and DRC
Quton Zimbabwe	Associate	Zimbabwe
Prime Seed Co Zimbabwe	Joint venture	Zimbabwe

4.4.2 Related persons
Related persons consist of the Group's Directors and Senior Management staff.

4.4.3 Related parties transactions and balances are disclosed in notes 13 and 19.

NOTES TO THE FINANCIAL STATEMENTS

REVENUE FROM CONTRACTS WITH CUSTOMERS

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
5	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
5.1 Product	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Maize seed	732,749,772	409,534,823	732,749,772	409,534,823	366,445,098	52,913,095	366,445,098	52,913,095
Soybean seed	233,535,119	75,019,813	233,535,119	75,019,813	118,060,321	10,332,850	118,060,321	10,332,850
Wheat seed	50,582,979	54,031,053	50,582,979	54,031,053	26,703,761	7,300,553	26,703,761	7,300,553
Other seeds	59,399,721	24,861,108	59,399,721	24,861,108	25,724,973	2,039,510	25,724,973	2,039,510
	1,076,267,591	**563,446,797**	**1,076,267,591**	**563,446,797**	**536,934,153**	**72,586,008**	**536,934,153**	**72,586,008**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
5.2 Geographic markets	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Zimbabwe	**1,076,267,591**	**563,446,797**	**1,076,267,591**	**563,446,797**	**536,934,153**	**72,586,008**	**536,934,153**	**72,586,008**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
5.3 Timing of revenue recognition	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Goods transferred at a point in time	**1,076,267,591**	**563,446,797**	**1,076,267,591**	**563,446,797**	**536,934,153**	**72,586,008**	**536,934,153**	**72,586,008**

5.4 The Group and Company do not have any contract assets

5.5 The Group's performance obligation is satisfied upon seed delivery to or collection by customers and payment is generally due within 90 to 180 days from delivery or collection.

NOTES TO THE FINANCIAL STATEMENTS

6 INCOME AND EXPENSES

6.1 Other income

		INFLATION ADJUSTED				HISTORICAL COST			
		GROUP		COMPANY		GROUP		COMPANY	
		2020	2019	2020	2019	2020	2019	2020	2019
	Note	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Profit/(loss) from non-seed/commodity sales	6.1.1	115,463,509	(2,240,001)	115,463,509	(2,240,001)	90,718,488	(288,568)	90,718,488	(288,568)
Net exchange gains/(losses)		36,679,147	4,566,879	36,679,147	4,566,879	23,155,436	588,328	23,155,436	588,328
Royalty income	21.1.5	68,611,647	15,789,255	68,611,647	15,789,255	40,538,955	2,034,050	40,538,955	2,034,050
Dividend income	21.1.3	-	722,872	21,063,412	722,872	-	93,124	4,307,404	93,124
Profit/(loss) on disposal of non-current assets		1,782,477	(65,290)	1,782,477	(65,290)	1,385,087	(8,411)	1,385,087	(8,411)
Sundry (expenses)/income	6.1.2	(3,649,108)	3,874,904	(3,649,108)	3,874,904	693,099	499,184	693,099	499,184
		218,887,672	**22,648,619**	**239,951,084**	**22,648,619**	**156,491,065**	**2,917,707**	**160,798,469**	**2,917,707**

6.1.1 Non-seed/commodity sales mainly comprise sale of chemicals used in seed production to growers at market rates.

6.1.2 Included in sundry income are items such as consultancy fees, export incentives, bad debts recovered, brokerage fees, transport recoveries, compensation for insurance claims and commodity sales

6.2 Operating expenses

			INFLATION ADJUSTED				HISTORICAL COST			
			GROUP		COMPANY		GROUP		COMPANY	
	Operating expenses	Note	2020	2019	2020	2019	2020	2019	2020	2019
	Included in operating expenses are:		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
	Employee benefits		104,230,701	72,072,651	104,230,701	72,072,651	53,801,570	9,284,756	53,801,570	9,284,756
6.2.1	Short-term employee benefits		99,482,264	64,394,201	99,482,264	64,394,201	50,630,596	8,295,580	50,630,596	8,295,580
6.2.2	Post-employment benefits		3,212,369	3,335,270	3,212,369	3,335,270	1,634,906	429,666	1,634,906	429,666
6.2.3	Other long-term employee benefits	16	1,536,068	4,343,180	1,536,068	4,343,180	1,536,068	559,510	1,536,068	559,510
6.2.4	Termination benefits		-	-	-	-	-	-	-	-
	Directors' fees	26.1.11	5,274,537	1,539,740	5,274,537	1,539,740	2,546,244	198,357	2,546,244	198,357
	Audit fees		4,970,345	2,790,989	4,970,345	2,790,989	2,633,013	359,549	2,633,013	359,549
	Depreciation	8	27,930,087	11,854,840	27,930,087	11,854,840	4,859,270	1,527,198	4,859,270	1,527,198

6.2.1 Short-term employee benefits include salaries and wages, bonuses, leave pay, medical aid contributions and allowances. Short-term employee benefits are expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits.

6.2.2 Post-employment benefits include contributions to defined contribution pension/retirement schemes and group life cover.

6.2.3 Other long term employee benefits mainly relate to Share Appreciation Rights Scheme (refer to note 16)

6.2.4 Termination benefits are provided in exchange for the termination of employment.

6.3 Finance income

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
Finance income	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Interest income from financial assets	**4,142,172**	**13,697,294**	**4,142,172**	**13,697,294**	**1,481,269**	**1,764,553**	**1,481,269**	**1,764,553**

All interest is recognised on an EIR basis

6.4 Finance costs

		INFLATION ADJUSTED				HISTORICAL COST			
		GROUP		COMPANY		GROUP		COMPANY	
		2020	2019	2020	2019	2020	2019	2020	2019
Finance costs	Note	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Interest on borrowings		**34,917,546**	**4,999,440**	**34,917,546**	**4,999,440**	**29,686,958**	**644,053**	**29,686,958**	**644,053**

NOTES TO THE FINANCIAL STATEMENTS

7 INCOME TAX

	Note	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
7.1 The major components of income tax expense are:									
Current income tax		79,654,778	36,994,160	79,654,778	36,994,160	79,654,778	4,765,771	79,654,778	4,765,771
Deferred tax	7.3	51,080,432	(102,674)	51,080,432	(1,039,907)	(11,238,262)	(13,227)	(11,238,262)	(133,966)
	7.2	**130,735,210**	**36,891,486**	**130,735,210**	**35,954,253**	**68,416,516**	**4,752,544**	**68,416,516**	**4,631,805**

	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
7.2 Reconciliation of tax expense and the accounting profit								
Accounting profit before income tax	10,351,621	190,462,565	(63,146,393)	167,076,381	381,508,783	24,536,330	314,354,778	21,523,606
Share of profit from associates and joint ventures already taxed	(94,561,426)	(19,778,676)	-	-	(71,461,409)	(2,547,987)	-	-
Accounting profit for tax calculation purposes	(84,209,805)	170,683,889	(63,146,393)	167,076,381	310,047,374	21,988,343	314,354,778	21,523,606
Tax at statutory income tax rate of 24.72% (2019: 25.75%)	(20,816,664)	43,951,101	(15,609,788)	43,022,168	76,643,711	5,661,998	77,708,501	5,542,329
Effect of different tax rate used	3,237,854	8,300	3,237,854	-	3,237,854	1,070	3,237,854	-
Effect of income that is not taxable	(7,653,097)	(13,273,165)	(12,859,973)	(13,273,165)	(11,795,183)	(1,709,915)	(12,859,973)	(1,709,915)
Effect of expenses that are not deductible	155,967,117	6,205,250	155,967,117	6,205,250	330,134	799,391	330,134	799,391
Tax at effective income tax rate	**130,735,210**	**36,891,486**	**130,735,210**	**35,954,253**	**68,416,516**	**4,752,544**	**68,416,516**	**4,631,805**

	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
7.3 Deferred tax expense/(income) relates to the following:								
Accelerated depreciation for tax purposes	(109,950,755)	3,642,602	(109,950,755)	3,642,602	12,313,868	469,258	12,313,868	469,258
Prepayments	2,237,990	(2,061,604)	2,237,990	(2,061,604)	(6,898,723)	(265,586)	(6,898,723)	(265,586)
Provisions	2,550,075	(2,620,905)	2,550,075	(2,620,905)	(16,653,407)	(337,638)	(16,653,407)	(337,638)
Investments in associates and joint venture	39,941,109	-	39,941,109	-	-	-	-	-
Inventories	118,826,835	-	118,826,835	-	-	-	-	-
Share based payments	(2,524,822)	-	(2,524,822)	-	-	-	-	-
Unrealised profit in inventory	-	937,233	-	-	-	120,739	-	-
	51,080,432	**(102,674)**	**51,080,432**	**(1,039,907)**	**(11,238,262)**	**(13,227)**	**(11,238,262)**	**(133,966)**

	Note	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
7.4 Deferred tax liability relates to the following:									
Revaluation		165,215,411	100,553,252	165,215,411	100,553,252	195,175,514	12,953,768	195,175,514	12,953,768
Accelerated depreciation for tax purposes		44,488,541	53,886,044	44,488,541	53,886,044	14,528,439	6,941,867	14,528,439	6,941,867
Prepayments		1,184,801	(1,053,189)	1,184,801	(1,053,189)	-	(135,677)	-	(135,677)
Provisions		(6,898,723)	(9,448,798)	(6,898,723)	(9,448,798)	(6,898,723)	(1,217,241)	(6,898,723)	(1,217,241)
Investments in associates and joint venture		39,941,109	-	39,941,109	-	-	-	-	-
Inventories		118,826,835	-	118,826,835	-	-	-	-	
Share based payments		-	2,524,822	-	2,524,822	-	325,260	-	325,260
	7.5	**362,757,974**	**146,462,131**	**362,757,974**	**146,462,131**	**202,805,230**	**18,867,977**	**202,805,230**	**18,867,977**

The Group offsets deferred tax assets and liabilities since it has a legally enforceable right to set off current tax assets a nd current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
7.5 Deferred tax liability reconciliation								
Balance at the beginning of the year	146,462,131	46,011,552	146,462,131	46,948,785	18,867,977	5,927,436	18,867,977	6,048,175
Tax expense/(income) recognised in profit or loss	51,080,432	(102,673)	51,080,432	(1,039,906)	(11,238,261)	(13,227)	(11,238,261)	(133,966)
Tax expense recognised in other comprehensive income	165,215,411	100,553,252	165,215,411	100,553,252	195,175,514	12,953,768	195,175,514	12,953,768
IAS 29 restatement	-	-	-	-	-	-	-	-
Balance at the end of the year	**362,757,974**	**146,462,131**	**362,757,974**	**146,462,131**	**202,805,230**	**18,867,977**	**202,805,230**	**18,867,977**

7.6 There are no income tax consequences attached to the payment of dividends in either 2020 or 2019 by the Group to its shareholders

NOTES TO THE FINANCIAL STATEMENTS

INFLATION ADJUSTED

8 PROPERTY, PLANT AND EQUIPMENT	Land and buildings	Plant and machinery	Motor vehicles	Computers and office equipment	Capital work-in-progress	Total
Cost or valuation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April 2018	186,089,830	40,632,539	34,178,898	2,366,607	1,455,566	264,723,440
Additions	1,012,847	3,595,763	10,622,313	3,639,753	14,230,879	33,101,555
Revaluation	312,195,111	28,157,774	39,799,572	10,299,390	-	390,451,847
Disposals	-	-	(1,765,240)	-	-	(1,765,240)
At 31 March 2019	**499,297,788**	**72,386,076**	**82,835,543**	**16,305,750**	**15,686,445**	**686,511,602**
Additions	-	2,106,833	5,559,247	4,971,756	184,183,542	196,821,378
Revaluation	30,878,116	67,500,784	541,892,137	28,076,096	-	668,347,133
Revaluation adjustment	(13,871,600)	(22,219,646)	(24,648,164)	(6,687,365)	-	(67,426,775)
Disposals	-	-	(453,307,563)	-	-	(453,307,563)
At 31 March 2020	**516,304,304**	**119,774,047**	**152,331,200**	**42,666,237**	**199,869,987**	**1,030,945,775**
Depreciation and impairment						
At 1 April 2018	4,048,773	16,004,989	12,595,510	2,814,936	-	35,464,208
Depreciation charge for the year	1,814,982	2,511,400	6,201,469	1,326,989	-	11,854,840
Disposals	-	-	(1,032,238)	-	-	(1,032,238)
At 31 March 2019	**5,863,755**	**18,516,389**	**17,764,741**	**4,141,925**	**-**	**46,286,810**
Depreciation charge for the year	8,007,845	3,703,257	13,673,545	2,545,440	-	27,930,087
Revaluation adjustment	(13,871,600)	(22,219,646)	(24,648,164)	(6,687,365)	-	(67,426,775)
Disposals	-	-	(6,790,122)	-	-	(6,790,122)
At 31 March 2020	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount						
At 31 March 2020	**516,304,304**	**119,774,047**	**152,331,200**	**42,666,237**	**199,869,987**	**1,030,945,775**
At 31 March 2019	**493,434,033**	**53,869,687**	**65,070,802**	**12,163,825**	**15,686,445**	**640,224,792**

	GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
8 Impairment write down on property, plant and equipment during the year:	**-**	**-**	**-**	**-**

	GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
8 The carrying amount of assets under the cost model would have been:	**362,652,974**	**43,876,173**	**362,652,974**	**43,876,173**

	GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
8 Borrowing costs capitalised during the year:	**3,195,513**	**-**	**3,195,513**	**-**

This relates to the seed drying equipment installation. The capitalisation rate was 4.94% (2019: nil)

8 None of the Group's and Company's property, plant and equipment are pledged as security to various financial institutions for banking facilities (2019: nil).

9 The fair value hierarchy on property, plant and equipment is disclosed in note 26.

NOTES TO THE FINANCIAL STATEMENTS

8 PROPERTY, PLANT AND EQUIPMENT
HISTORICAL COST

GROUP & COMPANY	**Land and buildings**	**Plant and machinery**	**Motor vehicles**	**Computers and office equipment**	**Capital work-in-progress**	**Total**
Cost or valuation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April 2018	23,973,014	5,234,485	4,403,095	304,878	187,515	34,102,987
Additions	130,480	463,224	1,368,419	468,891	1,833,293	4,264,307
Revaluation	40,218,521	3,627,424	5,127,178	1,326,819	-	50,299,942
Disposals	-	-	(227,407)	-	-	(227,407)
At 31 March 2019	**64,322,015**	**9,325,133**	**10,671,285**	**2,100,588**	**2,020,808**	**88,439,829**
Additions	-	1,954,825	5,650,673	1,563,554	78,013,519	87,182,571
Revaluation	573,242,923	112,210,158	140,910,697	40,122,686	-	866,486,464
Revaluation adjustment	(1,424,974)	(3,716,069)	(3,923,860)	(1,120,591)	-	(10,185,494)
Disposals	-	-	(977,595)	-	-	(977,595)
At 31 March 2020	**636,139,964**	**119,774,047**	**152,331,200**	**42,666,237**	**80,034,327**	**1,030,945,775**
Depreciation and impairment						
At 1 April 2018	521,583	2,061,842	1,622,616	362,634	-	4,568,675
Depreciation charge for the year	233,815	323,531	798,904	170,948	-	1,527,198
Disposals	-	-	(132,974)	-	-	(132,974)
At 31 March 2019	**755,398**	**2,385,373**	**2,288,546**	**533,582**	**-**	**5,962,899**
Depreciation charge for the year	669,576	1,330,696	2,271,989	587,009	-	4,859,270
Revaluation adjustment	(1,424,974)	(3,716,069)	(3,923,860)	(1,120,591)	-	(10,185,494)
Disposals	-	-	(636,675)	-	-	(636,675)
At 31 March 2020	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount						
At 31 March 2020	**636,139,964**	**119,774,047**	**152,331,200**	**42,666,237**	**80,034,327**	**1,030,945,775**
At 31 March 2019	**63,566,617**	**6,939,760**	**8,382,739**	**1,567,006**	**2,020,808**	**82,476,930**

	GROUP 2020 ZWL$	**GROUP 2019 ZWL$**	**COMPANY 2020 ZWL$**	**COMPANY 2019 ZWL$**
8 Impairment write down on property, plant and equipment during the year:	-	-	-	-

	GROUP 2020 ZWL$	**GROUP 2019 ZWL$**	**COMPANY 2020 ZWL$**	**COMPANY 2019 ZWL$**
8 The carrying amount of assets under the cost model would have been:	**164,459,312**	**5,652,346**	**164,459,312**	**5,652,346**

	GROUP 2020 ZWL$	**GROUP 2019 ZWL$**	**COMPANY 2020 ZWL$**	**COMPANY 2019 ZWL$**
8 Borrowing costs capitalised during the year:	**2,771,809**	**-**	**2,771,809**	**-**

This relates to the seed drying equipment installation . The capitalisation rate was 4.28% (2019: nil)

8 None of the Group's and Company's property, plant and equipment are pledged as security to various financial institutions for banking facilities (2019: nil).

9 The fair value hierarchy on property, plant and equipment is disclosed in note 26.

NOTES TO THE FINANCIAL STATEMENTS

9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

9.1 Interests in associates and joint venture

The Group's interests in associates and a joint venture are described in notes 4.3.

9.2 The associates and joint venture are accounted for using the equity method of accounting in the Group's financial statements and using the cost method in the Company's separate financial statements.

9.3 Summarized financial information in respect of the Group's associates and joint venture is set out below. This information represents amounts shown in the associates' and joint venture's financial statements.

Quton Zimbabwe and Prime Seed Co Zimbabwe operate in the similar hyperinflationary environment to the Company therefore their financial results and position were restated according to the requirements of IAS 29.

INFLATION ADJUSTED	**ASSOCIATES**		**JOINT VENTURE**	**GROUP**
Group's equity interest	**27.34%**	**40.00%**	**51.00%**	
Summarised statement of comprehensive income for the year ended 31 March 2020:	**Seed Co International**	**Quton Zimbabwe**	**Prime Seed Co Zimbabwe**	
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
Revenue	950,065,067	469,710,213	118,499,738	
Cost of sales	(485,808,716)	(188,824,806)	(46,316,789)	
Net operating expenses	(300,659,306)	(30,065,553)	(27,764,882)	
Net finance (cost)/income	(37,891,579)	193,052	(777,889)	
Net monetary (loss)/gain	-	(67,267,011)	20,395,942	
Share of loss from joint venture	(6,603,073)	-	-	
Income tax	(38,270,058)	(65,546,336)	(14,663,569)	
Profit for the year	**80,832,335**	**118,199,559**	**49,372,551**	
Other comprehensive (loss)/income	(201,140,513)	-	31,561,937	
Total comprehensive (loss)/income	**(120,308,178)**	**118,199,559**	**80,934,488**	
Group's share of profit for the year	**22,101,602**	**47,279,823**	**25,180,001**	**94,561,426**
	(54 996 898)	**-**	**16 096 588**	**(38,900,310)**

INFLATION ADJUSTED	**ASSOCIATES**		**JOINT VENTURE**	**GROUP**
Group's equity interest	**27.45%**	**40.00%**	**51.00%**	
Summarised statement of comprehensive income for the year ended 31 March 2019:	**Seed Co International**	**Quton Zimbabwe**	**Prime Seed Co Zimbabwe**	
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
Revenue	603,445,195	98,078,474	76,246,920	
Cost of sales	(303,601,690)	(57,591,738)	(39,679,121)	
Net operating expenses	(229,165,149)	(17,421,485)	(26,259,633)	
Net finance (cost)/income	(18,105,211)	2,622,683	(581,976)	
Share of loss from joint venture	(853,352)	-	-	
Income tax	(13,806,681)	(7,245,219)	(3,096,007)	
Profit for the year	**37 913 112**	**18 442 715**	**6 630 183**	
Other comprehensive (loss)/income	(127 015 790)	-	11 770 569	
Total comprehensive (loss)/income	**(89 102 678)**	**18 442 715**	**18 400 752**	
Group's share of profit for the year	**10,406,997**	**7,377,086**	**3,381,393**	**21,165,476**
Group's share of other comprehensive (loss)/income for the year	**(34,865,325)**	**-**	**6,002,990**	**(28,862,335)**

INFLATION ADJUSTED	**ASSOCIATES**		**JOINT VENTURE**	**GROUP**
Group's equity interest	**27.34%**	**40.00%**	**51.00%**	
Summarised statement of financial position as at 31 March 2020:	**Seed Co International**	**Quton Zimbabwe**	**Prime Seed Co Zimbabwe**	
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
Non-current assets	1,118,861,500	29,536,205	50,261,042	
Current assets	2,073,944,350	219,098,600	115,830,054	
Non-current liabilities	(109,713,675)	-	(8,811,375)	
Current liabilities	(1,257,360,975)	(57,794,751)	(31,001,730)	
Total equity	**1,825,731,200**	**190,840,054**	**126,277,991**	
Group's carrying amount of the investment	**499,201,040**	**76,336,022**	**64,401,775**	**639,938,837**

NOTES TO THE FINANCIAL STATEMENTS

INFLATION ADJUSTED	ASSOCIATES		JOINT VENTURE	GROUP
Group's equity interest	27.45%	40.00%	51.00%	
Summarised statement of financial position as at 31 March 2019:	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	
	ZWL$	ZWL$	ZWL$	ZWL$
Non-current assets	948,931,977	17 212 341	22 166 412	
Current assets	2,185,548,464	104 780 002	67 920 862	
Non-current liabilities	(97,469,896)	-	-	
Current liabilities	(1,102,643,445)	(17 956 692)	(50 402 067)	
Total equity	**1,934,367,100**	**104 035 651**	**39 685 207**	
Group's carrying amount of the investment	**530 976 016**	**41 614 260**	**20 239 456**	**592,829,732**

HISTORICAL COST	ASSOCIATES		JOINT VENTURE	GROUP
Group's equity interest	27.34%	40.00%	51.00%	
Summarised statement of comprehensive income for the year ended 31 March 2020:	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	
	ZWL$	ZWL$	ZWL$	ZWL$
Revenue	950,065,067	256,401,653	59,852,372	
Cost of sales	(485,808,716)	(96,422,564)	(26,418,000)	
Net operating expenses	(300,659,306)	(23,341,526)	(10,271,218)	
Net finance (cost)/income	(37,891,579)	56,784	(323,735)	
Share of loss from joint venture	(6,603,073)	-	-	
Income tax	(38,270,058)	(36,540,180)	(4,607,769)	
Profit for the year	**80,832,335**	**100,154,167**	**18,231,650**	
Other comprehensive (loss)/income	(201,140,514)	-	45,183,098	
Total comprehensive (loss)/income	**(120,308,179)**	**100,154,167**	**63,414,748**	
Group's share of profit for the year	**22,101,602**	**40,061,666**	**9,298,141**	**71,461,409**
Group's share of other comprehensive (loss)/income for the year	**(54 996 899)**	**-**	**23 043 380**	**(31,953,519)**

HISTORICAL COST	ASSOCIATES		JOINT VENTURE	GROUP
Group's equity interest	27.45%	40.00%	51.00%	
Summarised statement of comprehensive income for the year ended 31 March 2019:	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	
	ZWL$	ZWL$	ZWL$	ZWL$
Revenue	77,738,800	12,634,955	9,822,506	
Cost of sales	(39,111,474)	(7,419,253)	(5,111,661)	
Net operating expenses	(29,522,190)	(2,244,322)	(3,382,896)	
Net finance (cost)/income	(2,332,403)	337,867	(74,973)	
Share of loss from joint venture	(109,933)	-	-	
Income tax	(1,778,645)	(933,365)	(398,843)	
Profit for the year	**4 884 155**	**2 375 882**	**854 133**	
Other comprehensive (loss)/income	(16 362 805)	-	1 516 343	
Total comprehensive (loss)/income	**(11 478 650)**	**2 375 882**	**2 370 476**	
Group's share of profit for the year	**1,340,681**	**950,353**	**435,608**	**2,726,642**
Group's share of other comprehensive (loss)/income for the year	**(4,491,524)**	**-**	**773,335**	**(3,718,189)**

HISTORICAL COST	ASSOCIATES		JOINT VENTURE	GROUP
Group's equity interest	27.34%	40.00%	51.00%	
Summarised statement of financial position as at 31 March 2020:	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	
	ZWL$	ZWL$	ZWL$	ZWL$
Non-current assets	1,118,861,500	4,636,716	49,716,982	
Current assets	2,073,944,350	163,869,638	52,081,240	
Non-current liabilities	(109,713,675)	-	-	
Current liabilities	(1,257,360,975)	(57,794,751)	(33,271,029)	
Total equity	**1,825,731,200**	**110,711,603**	**68,527,193**	
Group's carrying amount of the investment	**499,201,040**	**44,284,641**	**34,948,868**	**578,434,549**

HISTORICAL COST	ASSOCIATES		JOINT VENTURE	GROUP
Group's equity interest	27.45%	40.00%	51.00%	
Summarised statement of financial position as at 31 March 2019:	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	
	ZWL$	ZWL$	ZWL$	ZWL$
Non-current assets	122 246 119	2 217 379	2 855 587	
Current assets	281 553 182	13 498 279	8 749 902	
Non-current liabilities	(12 556 555)	-	-	
Current liabilities	(142 047 992)	(2 313 270)	(6 493 044)	
Total equity	**249 194 754**	**13 402 388**	**5 112 445**	
Group's carrying amount of the investment	**68 402 961**	**5 360 955**	**2 607 347**	**76,371,263**

NOTES TO THE FINANCIAL STATEMENTS

9.4 Reconciliation of the investments in associates and joint venture

INFLATION ADJUSTED	Note	Seed Co International ZWL$	Quton Zimbabwe ZWL$	Prime Seed Co Zimbabwe ZWL$	GROUP ZWL$
At 1 April 2018		-	29,716,075	-	29,716,075
Investment retained on partial unbundling/formation of joint venture	28	389,443,180	-	14,845,726	404,288,906
Deemed disposal on issue of shares to a third party	28	(3,969,060)	-	-	(3,969,060)
Additional investment		24,224,033	-	-	24,224,033
Impairment of investment		-	(1,386,793)	-	(1,386,793)
Share of profit		10,406,998	7,377,088	3,381,395	21,165,481
Share of other comprehensive (loss)/income		(34,865,326)	-	6,002,991	(28,862,335)
At 31 March 2019		**385,239,825**	**35,706,370**	**24,230,112**	**445,176,307**
Dividend		(11,858,783)	(9,204,636)	-	(21,063,419)
Share of profit		22,101,602	47,279,823	25,180,001	94,561,426
Share of other comprehensive (loss)/income		(54,996,899)	-	16,096,588	(38,900,311)
At 31 March 2020		**340,485,745**	**73,781,557**	**65,506,701**	**479,774,003**

HISTORICAL COST	Note	Seed Co International ZWL$	Quton Zimbabwe ZWL$	Prime Seed Co Zimbabwe ZWL$	GROUP ZWL$
At 1 April 2018		-	3,828,172	-	3,828,172
Investment retained on partial unbundling/formation of joint venture		50,170,000	-	1,912,500	52,082,500
Deemed disposal on issue of shares to a third party		(511,314)	-	-	(511,314)
Additional investment		3,120,660	-	-	3,120,660
Impairment of investment		-	(178,653)	-	(178,653)
Share of profit		1,340,681	950,353	435,608	2,726,642
Share of other comprehensive (loss)/income	13	(4,491,524)	-	773,335	(3,718,189)
At 31 March 2019		**49,628,503**	**4,599,872**	**3,121,443**	**57,349,818**
Dividend		(3,056,876)	(1,250,528)	**-**	(4,307,404)
Share of profit		22,101,602	40,061,666	9,298,141	71,461,409
Share of other comprehensive (loss)/income		(54,996,899)	-	23,043,380	(31,953,519)
At 31 March 2020		**13,676,330**	**43,411,010**	**35,462,964**	**92,550,304**

	COMPANY			
	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL$	2019 ZWL$	2020 ZWL$	2019 ZWL$
Seed Co International Limited	168,488,590	168,488,590	21,705,535	21,705,535
Prime Seed Co Zimbabwe	14,845,726	14,845,726	1,912,500	1,912,500
Quton Zimbabwe	2,132,382	2,132,382	274,704	274,704
Seed Co Zambia	121	121	16	16
	185,466,819	**185,466,819**	**23,892,755**	**23,892,755**

9.5 The impairment related to the write down of the investment in Quton to equate the Group's share of Quton's net assets in prior year.

9.6 The associates and joint venture have a financial year end of 31 March and follow uniform accounting policies as that of the Group for like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

10 OTHER FINANCIAL ASSETS	Note	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
Government savings bonds	10.1	-	116,437,068	-	116,437,068	-	15,000,000	-	15,000,000
Treasury bills	10.2	487,423	62,283,841	487,423	62,283,841	487,423	8,023,713	487,423	8,023,713
Long-term receivables	10.3	5,329,945	76,078,040	5,329,945	76,078,040	5,329,945	9,800,751	5,329,945	9,800,751
Long-term fixed deposits	10.4	1,794,247	13,496,787	1,794,247	13,496,787	1,794,248	1,738,723	1,794,248	1,738,723
Equity investment	10.5	123	116	-	-	14	15	-	-
Gross carrying amount		**7,611,738**	**268,295,852**	**7,611,615**	**268,295,736**	**7,611,630**	**34,563,202**	**7,611,616**	**34,563,187**
Allowance for credit losses	10.6	(2,497,092)	(15,667,531)	(2,497,092)	(15,667,531)	(2,497,092)	(2,018,369)	(2,497,092)	(2,018,369)
Net carrying amount		**5,114,646**	**252,628,321**	**5,114,523**	**252,628,205**	**5,114,538**	**32,544,833**	**5,114,524**	**32,544,818**

	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
Non-current	5,114,646	136,191,253	5,114,523	136,191,137	5,114,538	17,544,833	5,114,524	17,544,818
Current	-	116,437,068	-	116,437,068	-	15,000,000	-	15,000,000
	5,114,646	**252,628,321**	**5,114,523**	**252,628,205**	**5,114,538**	**32,544,833**	**5,114,524**	**32,544,818**

10 Government savings bonds are a fixed deposit with the Reserve Bank of Zimbabwe earning interest at 7% per annum with a one year tenure. The savings bonds matured in October 2019.

10 Treasury bills were issued by the government of Zimbabwe as settlement for amounts owed. Treasury bills attract interest at 5% per annum and their maturities fall within the next three years.

10 Other long term receivables relate to loans advanced to growers to acquire irrigation equipment for their farms and these mature over a three year period. Other long term receivables attract interest at 8.5% per annum.

10 Long-term fixed deposits are investments held with various financial institutions attracting interest at 8% per annum with a ten-year tenure.

11 The equity investment is a 1% shareholding in Seed Co Zambia Limited

11 The allowance for credit loss reconciliation is shown below:

	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
Balance at the beginning of the year	15,667,531	-	15,667,531	-	2,018,369	-	2,018,369	-
Charge for the year	679,250	15,667,531	679,250	15,667,531	679,250	2,018,369	679,250	2,018,369
Written off	(200,527)	-	(200,527)	-	(200,527)	-	(200,527)	
IAS 29 restatement	(13,649,162)	-	(13,649,162)	-	-	-	-	-
	2,497,092	**15,667,531**	**2,497,092**	**15,667,531**	**2,497,092**	**2,018,369**	**2,497,092**	**2,018,369**

Relating to:	Note	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
Treasury bills	10.7	477,883	5,262,986	477,883	5,262,986	477,883	678,004	477,883	678,004
Long-term receivables	10.8	2,019,209	10,404,545	2,019,209	10,404,545	2,019,209	1,340,365	2,019,209	1,340,365
		2,497,092	**15,667,531**	**2,497,092**	**15,667,531**	**2,497,092**	**2,018,369**	**2,497,092**	**2,018,369**

11 Expected Credit Loss (ECL) on Treasury bills

Treasury Bills (TBs) are a security issued by the government. TBs are considered to be one of the safest forms of investment in the world because they are backed by the government they are considered risk-free. The Group has TBs and interbank placements that are held to maturity and according to IFRS 9, if TBs are held to maturity they must be impaired or provided for i.e. Expected Credit Loss to be computed on all treasury instruments that are held at amortized cost. No modelling takes place in calculating the Loss Given Default for TBs. The general approach outlined in IFRS 9 is used to calculate the Expected Credit Loss for TBs. The Country default rate as prescribed by RBZ has been used as the Probability of Default. Recovery Rate is considered to be zero such that Loss Given Default will be one (1). All treasury instruments were initially designated in stage 1 as directed by Reserve Bank of Zimbabwe but since a significant portion has been impaired, these are now in stage 3.

11 Expected Credit Loss (ECL) on Long-term receivables

Management used the simplified approach in calculating the Expected Credit Loss (ECL). According to the model calculations, loss rates for each ageing band were calculated by dividing the loss amount with unpaid amounts in the preceding ageing bands. The definition of default is consistent with Group's Internal Credit Risk Policy or contracts. Management incorporated forward-looking information in the ECL calculations by adjusting the historical loss rates with macro variables induced correlation co-efficient average. Inflation and interest rates had positive relationships with the receivables thus the Group used the average of the three macro-economic factors. The macro-economic variables information was sourced from https://tradingeconomics.com/zimbabwe/inflation-cpi. The calculation and incorporation of an adjustment factor as a forward-looking estimate is considered to be reasonable and compliant with IFRS 9.

The provisioning matrix is shown below:	INFLATION ADJUSTED GROUP 2020 ZWL$	GROUP Restated 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY Restated 2019 ZWL$	HISTORICAL COST GROUP 2020 ZWL$	GROUP 2019 ZWL$	COMPANY 2020 ZWL$	COMPANY 2019 ZWL$
Gross carrying amount:	5,329,945	76,078,040	5,329,945	76,078,040	5,329,945	9,800,751	5,329,945	9,800,751
Current	-	-	-	-	-	-	-	-
Past due < 60 days	-	-	-	-	-	-	-	-
Past due 60-90 days	-	-	-	-	-	-	-	-
Past due > 90 days	5,329,945	76,078,040	5,329,945	76,078,040	5,329,945	9,800,751	5,329,945	9,800,751
Expected credit loss:	2,019,209	10,404,545	2,019,209	10,404,545	2,019,209	1,340,365	2,019,209	1,340,365
Current	-	-	-	-	-	-	-	-
Past due < 60 days	-	-	-	-	-	-	-	-
Past due 60-90 days	-	-	-	-	-	-	-	-
Past due > 90 days	2,019,209	10,404,545	2,019,209	10,404,545	2,019,209	1,340,365	2,019,209	1,340,365
Expected credit loss rate:	38%	14%	38%	14%	38%	14%	38%	14%
Current	0%	0%	0%	0%	0%	0%	0%	0%
Past due < 60 days	0%	0%	0%	0%	0%	0%	0%	0%
Past due 60-90 days	0%	0%	0%	0%	0%	0%	0%	0%
Past due > 90 days	38%	14%	38%	14%	38%	14%	38%	14%

NOTES TO THE FINANCIAL STATEMENTS

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
11 INVENTORIES	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Parent and commercial seed	337,891,382	108,476,739	337,891,382	108,476,739	102 594 445	13 974 511	102 594 445	13 974 511
Consumables	294,093,856	65,773,325	294,093,856	65,773,325	48 699 711	8 473 246	48 699 711	8 473 246
	631 985 238	**174 250 064**	**631 985 238**	**174 250 064**	**151 294 156**	**22 447 757**	**151 294 156**	**22 447 757**

11 Inventories are measured at the lower of cost and net realisable value.

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
11 Inventory recognized as an expense during the year:	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Opening balance of inventory	174 250 067	132,174,447	174 250 064	109,504,341	22 447 757	17 027 367	22 447 757	14 106 892
Purchases/value-addition	835 742 202	324,179,272	835 742 205	324,179,272	326 130 428	41 762 380	326 130 428	41 762 380
Transfer to joint venture	-	(26,277,611)	-	-	-	(3 385 212)	-	-
Closing balance of inventory	(631 985 238)	(174,250,067)	(631 985 238)	(174,250,064)	(151 294 156)	(22 447 757)	(151 294 156)	(22 447 757)
Amount recognised as expense	**378 007 031**	**255 826 041**	**378 007 031**	**259 433 549**	**197 284 029**	**32 956 778**	**197 284 029**	**33 421 515**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
11 Included in the amount recognised as an expense is the write down of inventories to net realisable value amounting to:	**824,374**	**8,924,388**	**824,374**	**8,924,388**	**42,541**	**1,149,684**	**42,541**	**1,149,684**

11 None of the Group's and Company's inventories are pledged as security for liabilities (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS

		INFLATION ADJUSTED				HISTORICAL COST			
		GROUP		COMPANY		GROUP		COMPANY	
		2020	2019	2020	2019	2020	2019	2020	2019
12 TRADE AND OTHER RECEIVABLES	**Note**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Trade receivables		10,159,173	127,624,861	10,159,173	127,624,861	10,159,173	16,441,267	10,159,173	16,441,267
Prepayments	12	60,831,259	10,368,209	60,831,259	10,368,209	56,038,376	1,335,684	56,038,376	1,335,684
Seed grower advances	12	154,647,729	29,699,417	154,647,729	29,699,417	154,647,729	3,826,026	154,647,729	3,826,026
Other receivables	13	14,914,545	36,015,964	14,914,545	36,015,964	14,914,545	4,639,755	14,914,545	4,639,755
Gross carrying amount		**240,552,706**	**203,708,451**	**240,552,706**	**203,708,451**	**235,759,823**	**26,242,732**	**235,759,823**	**26,242,732**
Allowance for credit losses	13	(20,349,569)	(20,140,267)	(20,349,569)	(20,140,267)	(20,349,569)	(2,594,569)	(20,349,569)	(2,594,569)
Net carrying amount		**220,203,137**	**183,568,184**	**220,203,137**	**183,568,184**	**215,410,254**	**23,648,163**	**215,410,254**	**23,648,163**

12.1 None of the Group's and Company's receivables are pledged as security for liabilities (2019: nil).

12.2 The Group's and Company's exposure to credit risks, related to trade receivables is disclosed in note 23.3.

12.3 Prepayments relate to amounts paid in advance for which the related goods will be received within twelve (12) months.

12.4 Seed grower advances relate to production inputs advanced to contracted seed producers for which the seed will be delivered within twelve (12) months.

12.5 Items included in other receivables include sundry debtors, staff loans, and VAT claims outstanding.

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
12.6 Allowance for credit losses reconciliation:	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Balance at beginning of the year	20,140,267	18,110,234	20,140,267	17,293,319	2,594,569	2,333,050	2,594,569	2,227,811
Charge for the year	18,538,301	2,846,948	18,538,301	2,846,948	18,538,301	366,758	18,538,301	366,758
Transferred to joint venture	-	(816,915)	-	-	-	(105,239)		-
Written off	(194,039)	-	(194,039)	-	(194,039)	-	(194,039)	-
Recovered during the year	(589,262)	-	(589,262)	-	(589,262)	-	(589,262)	-
IAS 29 restatement	(17,545,698)	-	(17,545,698)	-	-	-	-	-
Balance at the end of the year	**20,349,569**	**20,140,267**	**20,349,569**	**20,140,267**	**20,349,569**	**2,594,569**	**20,349,569**	**2,594,569**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
Relating to:	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Trade receivables	938,519	7,964,505	938,519	7,964,505	938,519	1,026,027	938,519	1,026,027
Seed grower advances	19,411,050	12,175,762	19,411,050	12,175,762	19,411,050	1,568,542	19,411,050	1,568,542
	20,349,569	**20,140,267**	**20,349,569**	**20,140,267**	**20,349,569**	**2,594,569**	**20,349,569**	**2,594,569**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
12.7 The provisioning matrices are shown below:	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Trade receivables	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Gross carrying amount:	10,159,173	127,624,861	10,159,173	127,624,861	10,159,173	16,441,267	10,159,173	16,441,267
Current	609,256	1,826,634	609,256	1,826,634	609,256	235,316	609,256	235,316
Past due < 60 days	-	4,595,903	-	4,595,903	-	592,067	-	592,067
Past due 60-90 days	4,285,296	113,706,704	4,285,296	113,706,704	4,285,296	14,648,261	4,285,296	14,648,261
Past due > 90 days	5,264,621	7,495,620	5,264,621	7,495,620	5,264,621	965,623	5,264,621	965,623
Expected credit loss:	938,519	7,964,505	938,519	7,964,505	938,519	1,026,027	938,519	1,026,027
Current	-	-	-	-	-	-	-	-
Past due < 60 days	139,836	-	139,836	-	139,836	-	139,836	-
Past due 60-90 days	358,390	468,884	358,390	468,884	358,390	60,404	358,390	60,404
Past due > 90 days	440,293	7,495,621	440,293	7,495,621	440,293	965,623	440,293	965,623
Expected credit loss rate:	9%	6%	9%	6%	9%	6%	9%	6%
Current	0%	0%	0%	0%	0%	0%	0%	0%
Past due < 60 days	0%	0%	0%	0%	0%	0%	0%	0%
Past due 60-90 days	8%	0%	8%	0%	8%	0%	8%	0%
Past due > 90 days	8%	100%	8%	100%	8%	100%	8%	100%

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
Seed grower advances	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Gross carrying amount:	154,647,729	29,699,417	154,647,729	29,699,417	154,647,729	3,826,026	154,647,729	3,826,026
Current	-	-	-	-	-	-	-	-
Past due < 60 days	-	-	-	-	-	-	-	-
Past due 60-90 days	-	-	-	-	-	-	-	-
Past due > 90 days	154,647,729	29,699,417	154,647,729	29,699,417	154,647,729	3,826,026	154,647,729	3,826,026
Expected credit loss:	19,411,050	12,175,762	19,411,050	12,175,762	19,411,050	1,568,542	19,411,050	1,568,542
Current	-	-	-	-	-	-	-	-
Past due < 60 days	-	-	-	-	-	-	-	-
Past due 60-90 days	-	-	-	-	-	-	-	-
Past due > 90 days	19,411,050	12,175,762	19,411,050	12,175,762	19,411,050	1,568,542	19,411,050	1,568,542
Expected credit loss rate:	13%	41%	13%	41%	13%	41%	13%	41%
Current	0%	0%	0%	0%	0%	0%	0%	0%
Past due < 60 days	0%	0%	0%	0%	0%	0%	0%	0%
Past due 60-90 days	0%	0%	0%	0%	0%	0%	0%	0%
Past due > 90 days	13%	41%	13%	41%	13%	41%	13%	41%

12.8 The Group used the simplified approach in calculating the ECL. According to the model calculations, loss rates for each ageing band were calculated by dividing the loss amount with unpaid amounts in the preceding ageing bands. The Group incorporated forward-looking information in the ECL calculations by adjusting the historical loss rates with macroeconomic variables induced correlation co-efficient average. Inflation and interest rates all had positive relationships with the grower's unpaid debtors thus they used the average of the two macro-economic factors.

NOTES TO THE FINANCIAL STATEMENTS

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
13 AMOUNTS DUE FROM RELATED ENTITIES	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Seed Co International	3,467,501	30,799,905	3,467,501	30,799,905	3,467,501	3,967,796	3,467,501	3,967,796
Seed Co South Africa	-	(140,462)	-	(140,462)	-	(18,095)	-	(18,095)
Seed Co Zambia	611,390	21,205,527	611,390	21,205,527	611,390	2,731,801	611,390	2,731,801
Seed Co Malawi	2,633,070	795,296	2,633,070	795,296	2,633,070	102,454	2,633,070	102,454
Seed Co Tanzania	303,578	635,257	303,578	635,257	303,578	81,837	303,578	81,837
Agri Seed Co Kenya	309,837	4,706,705	309,837	4,706,705	309,837	606,341	309,837	606,341
Seed Co Rwanda	81,837	-	81,837	-	81,837	-	81,837	-
Prime Seed Co Zimbabwe	2,074,592	13,417,090	2,074,592	13,417,090	2,074,592	1,728,456	2,074,592	1,728,456
	9,481,805	**71,419,318**	**9,481,805**	**71,419,318**	**9,481,805**	**9,200,590**	**9,481,805**	**9,200,590**

13.1 Amounts owed by Group companies are generally on a short term basis and repayable within six (6) months.

13.2 Additional information on Group companies is provided in note 4.

13.3 The Group assesses ECL for related parties annually but the ECL is nil or immaerial because of the factors listed below:
- Interest is charged on inter-company accounts.
- The inter-company accounts are guaranteed by the Seed Co International Limited.
- Most outstanding invoices/debits are paid after-cut-off.
- The Group owes more than Seed Co International Limited owes it and the net position is therefore in Seed Co International Limited's favour.
- The historical credit losses rates for five years are negative.

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
14 CASH AND CASH EQUIVALENTS	US$	US$	US$	US$	US$	US$	US$	US$
Cash at banks and on hand	33,827,914	93,791,308	33,827,914	93,791,308	33,827,914	12,082,661	33,827,914	12,082,661
Short-term deposits	1,655	4,269,917	1,655	4,269,917	1,655	550,072	1,655	550,072
	33,829,569	**98,061,225**	**33,829,569**	**98,061,225**	**33,829,569**	**12,632,733**	**33,829,569**	**12,632,733**

14.1 For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand, at bank and short-term/call deposits.

	GROUP		COMPANY	
15 SHARE CAPITAL	2020	2019	2020	2019
15.1 Issued and fully paid up shares	Number	Number	Number	Number
At 1 April	242,612,640	241,883,340	242,612,640	241,883,340
Exercise of share options	2,088,500	729,300	2,088,500	729,300
Scrip issue	2,501,505	-	2,501,505	-
At 31 March	**247,202,645**	**242,612,640**	**247,202,645**	**242,612,640**

15.2 The Group's and Company's authorised number of shares is 500,000,000.

15.3 The nominal value per share is $0.01 (2019: $0.001)

NOTES TO THE FINANCIAL STATEMENTS

16 SHARE BASED PAYMENTS

Under the Senior Management Plan (SMP), share options of the parent are granted to executive directors and senior management of the parent at the discretion of the Remuneration Committee. 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 the beneficiary beneficiary remains employed within the Group at least three years after the grant date (service condition) and the market value of the shares on that date exceeds the exercise price (market condition).

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions on which the share options were granted. However, the above market condition is only considered in determining the number of instruments that will ultimately vest.

The share options can be exercised up to seven years after the three-year vesting period and therefore, the contractual term of each option granted is ten years. The Group accounts for the SMP as an equity-settled plan.

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Carrying amount of the share based payment reserve:	14,467,969	12,931,901	14,467,969	12,931,901	3,202,020	1,665,952	3,202,020	1,665,952

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Expense recognised for employee services rendered during the year:	1,536,068	4,343,177	1,536,068	4,343,177	1,536,068	559,510	1,536,068	559,510

	GROUP		COMPANY	
	2020	2019	2020	2019
		Number		
Share options vested during the year	2,088,500	729,300	2,088,500	729,300

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in share options for the Group and Company.

	2020		2019	
	Number	WAEP (ZWL$)	Number	WAEP (ZWL$)
Outstanding at 1 April	**4,132,761**	**1.47**	**2,967,900**	**0.79**
Granted during the year	4,470,823	1.43	2,189,161	1.95
Forfeited during the year	(442,256)	1.77	(295,000)	0.77
Exercised during the year	(2,088,500)	0.49	(729,300)	0.42
Outstanding at 31 March	**6,072,828**	**1.76**	**4,132,761**	**1.47**
Exercisable at 31 March	-	-	809,200	0.71

The following tables list the inputs to the models used for the share options for the Group and Company:

	2020	2019
Weighted average fair values at the measurement date (ZWL$)	1.43	1.95
Dividend yield (%)	2.53%	2.74%
Expected volatility (%)	33.87%	29.00%
Risk–free interest rate (%)	15.15%	4.45%
Expected life of SARs (years)	3.00	3.03
Weighted average share price (ZWL$)	2.65	1.21

NOTES TO THE FINANCIAL STATEMENTS

		GROUP		COMPANY	
		2020	2019	2020	2019
17 BORROWINGS	**Note**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
IDBZ	22	6,938,714	-	6,938,714	-
Stanbic	22	2,764,478	-	2,764,478	-
FBC	22	25,000,000	-	25,000,000	-
Agribank	23	30,000,000	-	30,000,000	-
		64,703,192	**-**	**64,703,192**	**-**

	GROUP		COMPANY	
	2020	2019	2020	2019
	ZWL$	ZWL$	ZWL$	ZWL$
Non-current	6,938,714	-	6,938,714	-
Current	57,764,478	-	57,764,478	-
	64,703,192	**-**	**64,703,192**	**-**

	GROUP		COMPANY	
	2020	2019	2020	2019
17.1 Borrowings reconciliation:	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	-	906,651	-	500,000
Transfer to joint venture	-	(406,651)	-	-
Proceeds from borrowings	143,764,478	-	143,764,478	-
Repayments of borrowings	(79,061,286)	(500,000)	(79,061,286)	(500,000)
At 31 March	**64,703,192**	**-**	**64,703,192**	**-**

17.2 IDBZ Facility

Type of facility (description)	Mid Term Loan
Limit (ZWL$)	8,000,000
Purpose (description)	Drier Construction
Tenure (days)	1,460
Interest rate (%)	25%
Security details	Unsecured

17.3 Stanbic facility

Type of facility (description)	Overdraft
Limit (ZWL$)	15,000,000
Purpose (description)	Working Capital
Tenure (days)	365
Interest rate (%)	25%
Security details	Unsecured

17.4 FBC facility

Type of facility (description)	Short Term Loan
Limit (ZWL$)	50,000,000
Purpose (description)	Working capital
Tenure (days)	180
Interest rate (%)	28%
Security details (descprition and value in ZWL)	Unsecured

17.5 Agribank facility

Type of facility (description)	Short Term Loan
Limit (ZWL$)	30,000,000
Purpose (description)	Working capital
Tenure (days)	365
Interest rate (%)	25%
Security details (descprition and value in ZWL)	Unsecured

17.6 Undrawn committed borrowing facilities	GROUP		COMPANY	
	2020	2019	2020	2019
	ZWL$	ZWL$	ZWL$	ZWL$
Total facilities available	153,000,000	15,000,000	153,000,000	15,000,000
Facilities utilised at year end	(64,703,192)	-	(64,703,192)	-
Unutilised borrowing capacity	**88,296,808**	**15,000,000**	**88,296,808**	**15,000,000**

17.7 Maturity analysis	GROUP		COMPANY	
	2020	2019	2020	2019
Principal	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Due and payable on demand	-	-	-	-
Payable in < 3 months	25,000,000	-	25,000,000	-
Payable in 3 - 12 months	32,764,478	-	32,764,478	-
Payable in 1 - 5 years	6,938,714	-	6,938,714	-
	64,703,192	**-**	**64,703,192**	**-**

	GROUP		COMPANY	
	2020	2019	2020	2019
Interest	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Due and payable on demand	-	-	-	-
Payable in < 3 months	3,500,000	-	3,500,000	-
Payable in 3 - 12 months	8,191,120	-	8,191,120	-
Payable in 1 - 5 years	7,035,085	-	7,035,085	-
	18,726,205	**-**	**18,726,205**	**-**

NOTES TO THE FINANCIAL STATEMENTS

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
18 TRADE AND OTHER PAYABLES	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Trade payables	319,841	2,492,824	319,841	2,492,824	319,841	321,138	319,841	321,138
Accruals and other creditors	10,517,343	7,583,519	10,517,343	7,583,519	10,517,343	976,946	10,517,343	976,946
	10,837,184	**10,076,343**	**10,837,184**	**10,076,343**	**10,837,184**	**1,298,084**	**10,837,184**	**1,298,084**

18 Trade payables are non-interest bearing and are normally settled on sixty (60) day terms.

18 Accruals and other creditors are non-interest bearing and have an average term of ninety (90) days.

18 The carrying amounts of trade and other payables is a reasonable approximation of their fair values as at the end of the reporting period.

18 The maturity analyses of trade and other payables are shown below:

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Due and payable on demand	-	-	-	-	-	-	-	-
Payable in < 3 months	8,205,137	10,076,343	8,205,137	10,076,343	8,205,137	1,298,084	8,205,137	1,298,084
Payable in 3 - 12 months	2,632,047	-	2,632,047	-	2,632,047	-	2,632,047	-
Payable in 1 - 5 years	-	-	-	-	-	-	-	-
	10,837,184	**10,076,343**	**10,837,184**	**10,076,343**	**10,837,184**	**1,298,084**	**10,837,184**	**1,298,084**

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	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
19 AMOUNTS DUE TO RELATED ENTITIES	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Vilmorin	-	258,304	-	258,304	-	33,276	-	33,276
Agri Seed Co Kenya	1,352	73,251,103	1,352	73,251,103	1,352	9,436,570	1,352	9,436,570
Seed Co International	6,920,255	20,579,383	6,920,255	20,579,383	6,920,255	2,651,138	6,920,255	2,651,138
Seed Co Malawi	-	2,037,633	-	2,037,633	-	262,498	-	262,498
Seed Co Tanzania	-	51,037,596	-	51,037,596	-	6,574,916	-	6,574,916
Seed Co Zambia	2,780,907	492,506	2,780,907	492,506	2,780,907	63,447	2,780,907	63,447
	9,702,514	**147,656,525**	**9,702,514**	**147,656,525**	**9,702,514**	**19,021,845**	**9,702,514**	**19,021,845**

19.1 Amounts owed to Group companies are generally on a short term basis and repayable within six (6) months.

19.2 Additional information on Group companies is provided in note 4.

19.3 The maturity analyses of amounts due to related entities are shown below:

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	2019	2020	2019	2020	2019	2020	2019
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Due and payable on demand	-	-	-	-	-	-	-	-
Payable in < 3 months	-	-	-	-	-	-		-
Payable in 3 - 12 months	9,702,514	147,656,525	9,702,514	147,656,525	9,702,514	19,021,845	9,702,514	19,021,845
Payable in 1 - 5 years	-	-	-	-	-	-		-
	9,702,514	**147,656,525**	**9,702,514**	**147,656,525**	**9,702,514**	**19,021,845**	**9,702,514**	**19,021,845**

NOTES TO THE FINANCIAL STATEMENTS

		INFLATION ADJUSTED				HISTORICAL COST			
		GROUP		COMPANY		GROUP		COMPANY	
20 PROVISIONS		**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Provisions are made up of:	**Note**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Severance/Retrenchment pay	20.2	-	-	-	-	-	-	-	-
Leave pay	20.3	5,060,794	2,842,974	5,060,794	2,842,974	5,060,794	366,246	5,060,794	366,246
Bonus	20.4	15,131,377	14,697,595	15,131,377	14,697,595	15,131,377	1,893,417	15,131,377	1,893,417
Audit fees	20.5	2,700,000	519,907	2,700,000	519,907	2,700,000	66,977	2,700,000	66,977
Depot commission	20.6	(196,761)	1,309,180	(196,761)	1,309,180	(196,761)	168,655	(196,761)	168,655
Foundation seed	20.7	5,135,542	6,821,039	5,135,542	6,821,039	5,135,542	878,720	5,135,542	878,720
Other	20.8	-	895,420	-	895,420	-	115,352	-	115,352
		27,830,952	**27,086,115**	**27,830,952**	**27,086,115**	**27,830,952**	**3,489,367**	**27,830,952**	**3,489,367**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
20.1 Total provisions reconciliation:	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	27,086,115	34,840,381	27,086,115	34,840,381	3,489,367	4,488,310	3,489,367	4,488,310
Arising during the year	35,918,648	31,328,146	35,918,648	31,328,146	35,918,648	4,035,847	35,918,648	4,035,847
Utilised during the year	(35,173,811)	(39,082,412)	(35,173,811)	(39,082,412)	(11,577,063)	(5,034,790)	(11,577,063)	(5,034,790)
At 31 March	**27,830,952**	**27,086,115**	**27,830,952**	**27,086,115**	**27,830,952**	**3,489,367**	**27,830,952**	**3,489,367**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
20.2 Severance pay provision reconciliation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	-	143,241	-	143,241	-	18,453	-	18,453
Arising during the year	-	-	-	-	-	-	-	-
Utilised during the year	-	(143,241)	-	(143,241)	-	(18,453)	-	(18,453)
At 31 March	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
20.3 Leave pay provision reconciliation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	2,842,974	4,662,800	2,842,974	4,662,800	366,246	600,685	366,246	600,685
Arising during the year	4,965,522	3,434,373	4,965,522	3,434,373	4,965,522	442,433	4,965,522	442,433
Utilised during the year	(2,747,702)	(5,254,199)	(2,747,702)	(5,254,199)	(270,974)	(676,872)	(270,974)	(676,872)
At 31 March	**5,060,794**	**2,842,974**	**5,060,794**	**2,842,974**	**5,060,794**	**366,246**	**5,060,794**	**366,246**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
20.4 Bonus provision reconciliation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	14,697,595	22,077,058	14,697,595	22,077,058	1,893,417	2,844,076	1,893,417	2,844,076
Arising during the year	17,483,810	17,301,508	17,483,810	17,301,508	17,483,810	2,228,866	17,483,810	2,228,866
Utilised during the year	(17,050,028)	(24,680,971)	(17,050,028)	(24,680,971)	(4,245,850)	(3,179,525)	(4,245,850)	(3,179,525)
At 31 March	**15,131,377**	**14,697,595**	**15,131,377**	**14,697,595**	**15,131,377**	**1,893,417**	**15,131,377**	**1,893,417**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
20.5 Audit fee provision reconciliation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	519,907	1,233,674	519,907	1,233,674	66,977	158,928	66,977	158,928
Arising during the year	2,633,023	1,920,039	2,633,023	1,920,039	2,633,023	247,349	2,633,023	247,349
Utilised during the year	(452,930)	(2,633,806)	(452,930)	(2,633,806)	-	(339,300)	-	(339,300)
At 31 March	**2,700,000**	**519,907**	**2,700,000**	**519,907**	**2,700,000**	**66,977**	**2,700,000**	**66,977**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
20.6 Depot commission provision reconciliation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	1,309,180	473,845	1,309,180	473,845	168,655	61,043	168,655	61,043
Arising during the year	4,248,873	4,960,964	4,248,873	4,960,964	4,248,873	639,096	4,248,873	639,096
Utilised during the year	(5,754,814)	(4,125,629)	(5,754,814)	(4,125,629)	(4,614,289)	(531,484)	(4,614,289)	(531,484)
At 31 March	**(196,761)**	**1,309,180**	**(196,761)**	**1,309,180**	**(196,761)**	**168,655**	**(196,761)**	**168,655**

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
20.7 Foundation seed provision reconciliation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	6,821,039	6,068,343	6,821,039	6,068,343	878,720	781,754	878,720	781,754
Arising during the year	6,587,420	2,815,844	6,587,420	2,815,844	6,587,420	362,751	6,587,420	362,751
Utilised during the year	(8,272,917)	(2,063,148)	(8,272,917)	(2,063,148)	(2,330,598)	(265,785)	(2,330,598)	(265,785)
At 31 March	**5,135,542**	**6,821,039**	**5,135,542**	**6,821,039**	**5,135,542**	**878,720**	**5,135,542**	**878,720**

Provision relates to Group's foundation seed issued to growers for seed production and unwinds on hybrid seed delivery by growers.

	INFLATION ADJUSTED				HISTORICAL COST			
	GROUP		COMPANY		GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
20.8 Other provisions reconciliation	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
At 1 April	895,420	181,417	895,420	181,417	115,352	23,371	115,352	23,371
Arising during the year	-	895,420	-	895,420	-	115,352	-	115,352
Utilised during the year	(895,420)	(181,417)	(895,420)	(181,417)	(115,352)	(23,371)	(115,352)	(23,371)
At 31 March	**-**	**895,420**	**-**	**895,420**	**-**	**115,352**	**-**	**115,352**

20.9 All the provisions are expected to be utilised within the next twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS

21 RELATED PARTIES' TRANSACTIONS AND BALANCES

During the reporting period, the Group and Company entered into transactions with some of these parties. These transactions and period-end balances are summarized below:

		GROUP		COMPANY	
		2020	2019	2020	2019
21.1	**Related party transactions**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
21.1.1	**Sale of goods**				
	Seed Co Malawi	5,057,589	809,162	5,057,589	809,162
	Seed Co Zambia	5,275,894	546,211	5,275,894	546,211
	Seed Co Tanzania	639,696	139,500	639,696	139,500
	Agri-Seed Co Kenya	3,724,255	491,189	3,724,255	491,189
	Agri-Seed Co Nigeria	-	23,041	-	23,041
	Seed Co Botswana	879,045	99,601	879,045	99,601
	Prime Seed Co Zimbabwe	5,213,364		5,213,364	
		20,789,843	**2,108,704**	**20,789,843**	**2,108,704**

		GROUP		COMPANY	
		2020	2019	2020	2019
21.1.2	**Purchase of goods**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
	Seed Co Malawi	-	1,065,960	-	1,065,960
	Seed Co Zambia	1,012,987	28,650	1,012,987	28,650
		1,012,987	**1,094,610**	**1,012,987**	**1,094,610**

		GROUP		COMPANY	
		2020	2019	2020	2019
21.1.3	**Dividend received**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
	Seed Co Zambia	-	93,124	-	93,124
	Seed Co International	-		3,056,876	-
	Quton Zimbabwe	-		1,250,528	-
		-	**93,124**	**4,307,404**	**93,124**

		GROUP		COMPANY	
		2020	2019	2020	2019
21.1.4	**Dividend paid**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
	Vilmorin & Cie	1,688,149	2,839,936	1,688,149	2,839,936
		1,688,149	**2,839,936**	**1,688,149**	**2,839,936**

		GROUP		COMPANY	
		2020	2019	2020	2019
21.1.5	**Royalty income**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
	Seed Co Zambia	3,282,235	804,270	3,282,235	804,270
	Seed Co Malawi	2,674,192	655,270	2,674,192	655,270
	Seed Co Tanzania	2,164,046	530,270	2,164,046	530,270
	Agri-Seed Co Kenya	103,528	25,370	103,528	25,370
	Seed Co International	32,314,954	18,870	32,314,954	18,870
		40,538,955	**2,034,050**	**40,538,955**	**2,034,050**

		GROUP		COMPANY	
		2020	2019	2020	2019
21.1.6	**Management fee expense**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
	Seed Co International	**14,302,006**	**719,780**	**14,302,006**	**719,780**

		GROUP		COMPANY	
		2020	2019	2020	2019
21.1.7	**Interest expense**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
	Seed Co International	7,547,200	323,656	7,547,200	323,656
	Seed Co Zambia	-	296,364		296,364
		7,547,200	**620,020**	**7,547,200**	**620,020**

		GROUP		COMPANY	
		2020	2019	2020	2019
21.1.11	**Directors' emoluments**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
	Short term benefits	-	205,998	117,990	205,998
	Directors' fees	2,546,244	198,357	2,546,244	198,357
		2,546,244	**404,355**	**2,664,234**	**404,355**

Short-term benefits include salaries, bonuses, allowances and Group/Company contributions towards pension and medical aid.

21.2 Related party balances

Related party balances are shown in notes 13 and 19 respectively.

NOTES TO THE FINANCIAL STATEMENTS

22 COMMITMENTS AND CONTINGENCIES

22.1 Commitments

	GROUP		COMPANY	
	2020	2019	2020	2019
Capital expenditure commitments	US$	US$	US$	US$
Approved by the directors but not yet contracted for	3,855,242	4,477,928	3,855,242	4,477,928

22.2 Contingent liabilities

There were no contigent liabilities as at 31 March 2020 and 31 March 2019

23 FINANCIAL INSTRUMENTS

The Group's and Company's financial assets comprise of loans and receivables (note 10); trade and other receivables (note 13) and cash and cash equivalents (note 14) that arise directly from its operations.

The Group's and Company's financial liabilities comprise of borrowings (note 17) trade and other payables (note 18) and related party payables (note 19). The main purpose of these financial liabilities is to finance the Group's and Company's operations.

The Group's and Company's policy prohibits trading in financial instruments.

23.1 Fair values

All financial instruments are measured at amortized cost. However, the carrying amount of all financial instruments shown on the financial statements approximate their fair values largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is estimated to be the amount at which the instrument could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale.

23.2 Financial instruments risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks while the Audit Committee reviews and approves policies for managing each of these risks which are summarised below:

23.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include receivables; cash and cash equivalents; payables and borrowings.

The sensitivity analyses in the following sections relate to the position as at 31 March in 2020 and 2019.

The following assumptions have been made in the sensitivity analyses:
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 2019.
- There is no impact on equity besides the increase/decrease in retained earnings due to change in profit or loss.

23.2.1a) Interest rate risk

Iinterest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

The Group manages its interest rate risk by having its borrowings below-inflation rates of interest.

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 of floating rate borrowings, as follows:

		GROUP		COMPANY	
		2020	2019	2020	2019
		ZWL$	ZWL$	ZWL$	ZWL$
Increase in basis points	+1000	(6,470,319)	-	(6,470,319)	-
Decrease in basis points	-1000	6,470,319	-	6,470,319	-

23.2.1b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure 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 (monetary assets or liabilities are denominated in a foreign currency).

The Group manages its foreign currency risk by balancing its foreign denominated assets and liabilities so that any negative movements in one are compensated by positive movements in the other.

Foreign currency rate sensitivity
The table below demonstrates the sensitivity to a reasonably possible change in US dollar exchange rate against the Group's functional currency the ZWL$, with all other variables held constant, on the Group's and Company's profit before tax. A 100% change is considered as a reasonably possible change in US$ exchange rate against the respective currencies by the Group's Management. The impact on the Group's/Company's profit before tax is due to changes in the value of monetary assets and liabilities induced by exchange rate movements.

NOTES TO THE FINANCIAL STATEMENTS

		GROUP		COMPANY	
		2020	2019	2020	2019
		ZWL$	ZWL$	ZWL$	ZWL$
ZWL$ weakening against US$	-100%	(413,420,919)	(33,942,034)	(413 420 919)	(33,942,034)
ZWL$ firming against US$	+100%	206,710,459	16,971,017	206,710,459	16,971,017

3.3 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 deposits in the custody of financial institutions.

Trade and other receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls 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 bank guarantees. There was no significant change in the current period on the quality of the bank guarantees in place. No loss allowances are made against bank guaranteed receivables as bank generally make good the outstanding amount within a reasonably short period of time in the rare cases where bank guaranteed customers default. The Group does not hold any collateral. The maximum exposure to credit risk is equal to the carrying amount as per the statement of financial position.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. geographical region and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product, inflation and interest rates) are expected to deteriorate over the next year which can lead to an increased number of defaults in the agricultural sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The provision matrices for trade and other receivables are shown in notes 10.8 and 12.7.

Treasury bills

Treasury Bills (TBs) are a security issued by the government. TBs are considered to be one of the safest forms of investment in the world because they are backed by the government they are considered risk-free. The Group has TBs and interbank placements that are held to maturity and according to IFRS 9, if TBs are held to maturity they must be impaired or provided for i.e. Expected Credit Loss to be computed on all treasury instruments that are held at amortized cost. No modelling takes place in calculating the Loss Given Default for TBs. The general approach outlined in IFRS 9 is used to calculate the Expected Credit Loss for TBs. The Country default rate as prescribed by RBZ has been used as the Probability of Default. Recovery Rate is considered to be zero such that Loss Given Default will be one (1).All treasury instruments will be designated initially in stage 1 as directed by Reserve Bank of Zimbabwe.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are fairly distributed across several customer segments.

Cash and cash equivalents and other financial assets

Credit risk from balances with the government 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 limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Audit Committee on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The maximum exposure to credit risk is equal to the carrying amount as per the statement of financial position.

The Group evaluates the concentration of risk with respect to bank deposits as low since the Group's cash and cash equivalents balances are spread across the various banks the Group has accounts with.

23.4 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter in meeting commitments associated with financial liabilities because of the possibility that the Group or the Company may be required to pay its . liabilities earlier than expected The liquidity risk arises if the Group or the Company defaults in its loan commitments or in meeting other conditions of the financial liabilities.

The maturity profiles of the Group's and Company's financial liabilities based on contractual undiscounted payments are shown in notes 17.7, 18.4 and 19.3.

The Group and Company ensure timely payments of all loan commitments and are reviewed every six (6) to twelve (12) months. Timely arrangements are made with the banks to review facilities before they expire to avoid default.

The Group and Company 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 six (6) months can be rolled over with existing lenders.

NOTES TO THE FINANCIAL STATEMENTS

24 EVENTS AFTER THE REPORTING DATE

24.1 Dividend

The Board did not declare a dividend (2019: 0.40 US cents per share).

Proposed dividends on ordinary shares are subject to approval at the annual general meeting to be held before the end of September 2020 and are not recognised as a liability as at 31 March.

The dividend is gross of withholding tax. Withholding tax is at the expense of the shareholders.

24.2 Impact of the Covid-19 outbreak

Covid-19 was first diagnosed in Zimbabwe in March 2020 just before the Group's financial year end date. The disease has continued spreading across the country beyond the Group's reporting date. To curb the outbreak, the Government enforced a national lockdown in the period subsequent to the Group's financial reporting date.

The emergency measures adopted by Government had a limited impact on the Group's operations for the year ended 31 March 2020 as most sales had already been concluded in December 2019. While there have been no recorded cases of Covid-19 within the Group, other value-chain operations of the business were affected, albeit minimally, as the agriculture business of the Group fell under legally protected essential services that did not shut down completely. In response to the catastrophic effects of the pandemic on lives and business, the Group swiftly formulated and implemented a Business Continuity Plan (“BCP”).

Between the reporting date and the date these financial statements were approved by the Board, Management concluded that the effect of the pandemic and the measures taken to contain its spread were non-adjusting post balance sheet events.
Without quantifying, due to the difficulty of doing so, Management considered the following in its assessment of the impact of Covid-19 on the Group thus far and prospectively.

24.2.1 Seed demand by customers

The Group takes some comfort from the fact that the seed business is at the base of the food value chain and this strategic positioning puts the business in good stead to benefit from the efforts of the Government, development partners, major customers and other key stakeholders to ensure continued food security for the market the Group serves during and post the pandemic.

24.2.2 Seed supply by growers

The Group had already contracted growers to produce seed by the time Covid-19 was first diagnosed in Zimbabwe and the concomitant movement restrictions were enacted by Governments in response. Since then, seed production and the related activities have continued with minimal interruptions since the Group's operations were designated as essential services. The Group is therefore adequately stocked to meet anticipated demand in the ensuing season.

24.2.3 Operating expenses

With most of the Group's knowledge workers forced to work remotely, Management anticipates an increase in information technology (IT), communication and cyber-security costs. However, these are expected to be fully offset by office utility and transport cost savings.

24.2.4 Credit losses on receivables

The Group's forward looking Expected Credit Loss (ECL) model at 31 March 2020 applied projected Consumer Price Index (CPI), Gross Domestic Product (GDP), Interest Rates, Inflation Rates and Unemployment Rates. The credit loss arrived at from this calculation was expensed on the income statement and provided for against trade receivables on the statement of financial position.

24.2.5 Interest and exchange rate adjustments

To cushion businesses and consumers against the economic effects of Covid-19, the central bank fixed the exchange rate and reduced interest rates which minimise exchange losses on the Group's foreign denominated liabilities and lower cost of borrowing for the Group on renewal of loan and overdraft facilities. However, these concessions have been reversed three months post year-end. The Group, where negatively affected, will factor additional costs incurred in its pricing of its product.

24.3 Suspension of trading in Zimbabwe Stock Exchange Listed equity instruments and monetary transactions on mobile based money platforms

On the 26th of June 2020, the Government of Zimbabwe began undertaking a series of prudent and coordinated interventions which include the suspension of all monetary transactions on phone-based mobile money platforms and the suspension of all trading on the Zimbabwe Stock Exchange.

The aim of these measures, according to the government statement is so that "the mobile money platforms have been reformed to their original purpose and all the current phantom rates of exchange have converged into one genuine rate that is determined by market forces under the Foreign Currency Auction System which was launched by the Reserve Bank of Zimbabwe on 23rd June 2020".

Following the Government Press Release issued by the Secretary for Information, Publicity and Broadcasting Services on 26 June 2020, the Zimbabwe Stock Exchange Limited ("ZSE") engaged both the Securities and Exchange Commission of Zimbabwe ("SECZ") and the Ministry of Finance and Economic Development. As a result, trading on equity instruments on the ZSE was suspended until further notice whilst the ZSE "awaits the guidance from the regulators on the operational modalities going forward".

Additionally, the Reserve Bank of Zimbabwe issued a press statement on the 27th of June 2020 with the following measures:
a) All mobile money agents were suspended from facilitating mobile financial transactions with immediate effect.
b) All merchant transactions were suspended except for receiving payments for goods and services as well as payment of utilities (water, power and airtime), which have been limited up to ZW$5,000 per day for the convenience of the transacting public.
c) All mobile money liquidations are to be done through the banking system.
d) All bulk payer transactions were suspended with immediate effect.

24.4 Introduction of a foreign exchange auction trading system

The Monetary Policy Committee of the Reserve Bank of Zimbabwe (the Committee) met on 22 May 2020 and considered a wide range of issues currently confronting the Zimbabwean economy. It was resolved that a formal market-based system of foreign exchange trading will be put in place. The Committee also resolved to reinstate, with effect from 1 July 2020, the 30-day limit of liquidating surplus foreign exchange receipts from exports in order to ensure that more foreign exchange was released onto the market.

Further to the Press Statement of 8 June 2020 by which the Monetary Policy Committee advised that a formal market-based foreign exchange trading system will be put in place, the Reserve Bank of Zimbabwe made the Foreign Exchange Auction Trading System operational from the 23rd of June 2020. The adoption of the Foreign Currency Auction System was expected to bring transparency and efficiency in the trading of foreign currency in the economy. The salient features of this Auction System are as follows:
i. Bidders submit their bids as individuals, firms and public enterprises through their Authorised Dealers (banks);
ii. Bidders only submit one bid per auction. In cases where the bidder submits two or more bids, all the bids shall be rejected;
iii. Allotment of foreign currency to winning bids is based on the Import Priority List;
iv. The auction only accepts bids for a minimum amount of US$50,000 and a maximum of US$500,000 from each bidder per auction;
v. The bidding platform is the Reuters Foreign Currency Auction System, which is linked to the Computerised Export Payments Exchange Control System (CEPECS) and Computerised Exchange Control Batch Application System (CEBAS);
vi. All bids are in United States dollars (US$);
vii. Successful bids are allotted in full but if funds are not enough, allotments will be on a pro-rata basis;
viii. Foreign currency is allotted at each bidder's own bid rate, starting from the highest bid rate until the amount on auction is fully allotted; and
ix. A weighted average rate is calculated based on allotments, and the average rate is used as the market exchange rate until a new weighted average rate is determined at a subsequent auction.

Authorised Dealers are required to serve all importers and users of foreign currency in between the auction days at the ruling market rate. The crawling exchange rate, which will be adjusted in line with economic fundamentals from time to time, shall only be used for Government and debt service (including blocked funds) transactions.

The Foreign Exchange Auction System is funded from offshore facilities arranged by the Bank, foreign currency availed through surrender requirements, which will be liquidated at the prevailing market rate, and export proceeds liquidations upon expiry of the 30-day retention period and foreign currency exchanged by exporters and free funds holders through the banking system at the prevailing market rate.

NOTES TO THE FINANCIAL STATEMENTS

25 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the 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 EPS is calculated by dividing the 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 conversion of all the dilutive potential ordinary shares into ordinary shares.

Headline EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent excluding separately identifiable re-measurements net of related tax by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	INFLATION ADJUSTED GROUP	
	2020	**Restated 2019**
	ZWL$	**ZWL$**
Profit attributable to ordinary equity holders of the parent for basic earnings	**(120,383,589)**	**690,897,369**
Effect of dilution	-	-
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**(120,383,589)**	**690,897,369**
Non-recurring and non-operational items	(7,102,477)	(537,261,000)
Headline earnings	**(127,486,066)**	**153,636,369**
Weighted average number of ordinary shares for basic EPS	**244,752,045**	**242,390,875**
Equity settled share appreciation rights with dilutive impact	2,053,767	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**246,805,812**	**242,390,875**

	GROUP	
Earnings per share	**2020**	**Restated 2019**
Basic earnings per share - cents	**(49.19)**	**285.03**
Diluted earnings per share - cents	**(48.78)**	**285.03**
Headline earnings per share - cents	**(52.09)**	**63.38**

25.1 The weighted average number of ordinary shares for basic earnings per share is derived factors share option and scrip issues during the year

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

NOTES TO THE FINANCIAL STATEMENTS

26 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets accounted for at fair value.

			Fair value measurement using		
INFLATION ADJUSTED	**Note**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
As at 31 March 2020		**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Property, plant and equipment	8				
Land and buildings		516,304,304	-	-	516,304,304
Plant and equipment		119,774,047	-	-	119,774,047
Motor vehicles		152,331,200	-	-	152,331,200
Office furniture and equipment		42,666,237	-	-	42,666,237
Capital work in progress		199,869,987	-	-	199,869,987
		-			
As at 31 March 2019		**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Property, plant and equipment	8				
Land and buildings		493,434,033	-	-	493,434,033
Plant and equipment		53,869,687	-	-	53,869,687
Motor vehicles		65,070,802	-	-	65,070,802
Office furniture and equipment		12,163,825	-	-	12,163,825
Crops		15,686,445	-	-	15,686,445

There were no transfers between Levels 1, 2 and 3 during the year (2019: nil).

HISTORICAL COST					
As at 31 March 2020		**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Property, plant and equipment	8				
Land and buildings		636,139,964	-	-	636,139,964
Plant and equipment		119,774,047	-	-	119,774,047
Motor vehicles		152,331,200	-	-	152,331,200
Office furniture and equipment		42,666,237	-	-	42,666,237
Capital work in progress		80,034,327	-	-	80,034,327
As at 31 March 2019		**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Property, plant and equipment	8				
Land and buildings		63,566,617	-	-	63,566,617
Plant and equipment		6,939,760	-	-	6,939,760
Motor vehicles		8,382,739	-	-	8,382,739
Office furniture and equipment		1,567,006	-	-	1,567,006
Capital work in progress		2,020,808	-	-	2,020,808

There were no transfers between Levels 1, 2 and 3 during the year (2019: nil).

26 Fair value was determined using the market comparable method. The valuations were based on foreign currency equivalent values of similar assets multiplied by the closing exchange rate. Significant strengthening/weakening in the value of the ZWL$ against the US$ would result in an increase/decrease in fair value.

NOTES TO THE FINANCIAL STATEMENTS

27 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes stated capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital managementis to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio below 50%. The Group's net debt definition comprises loans and borrowings less cash and cash equivalents.

		INFLATION ADJUSTED			
		GROUP		COMPANY	
	Note	2020 ZWL$	2019 ZWL$	2020 ZWL$	2019 ZWL$
Interest bearing loans and borrowings	17	64,703,192	-	64,703,192	-
Less cash and short term deposits	14	(33,829,569)	(98,061,225)	(33,829,569)	(98,061,225)
Net debt		**30,873,623**	**(98,061,225)**	**30,873,623**	**(98,061,225)**
Capital		**1,862,255,386**	**1,520,367,258**	**1,567,948,079**	**1,260,657,654**
Gearing		**2%**	**-6%**	**2%**	**-8%**

28 DISCONTINUED OPERATIONS

In June 2017, the Board of Directors of Seed Co Limited approved the decision by management to partially unbun Seed Co International Limited. Critical regulatory approvals were obtained in February 2018. The partial unbundling of the 71% interest in Seed Co International Limited through a dividend-in-specie was completed in August 2018 following the formal shareholders' ratification of the Board's decision with support from the majority of shareholder having been obtained by management in April 2018. The effective date of distribution was the 1st of April 2018 and as Seed Co International had not been operational no results are included in the note below. Seed Co Internationa previously represented the entirety of the Group's regional operating segment until 31 March 2018 and was classified as held for sale as at that date.

28 The prior year profit from discontinued operations was computed as follows:

		INFLATION ADJUSTED	HISTORICAL COST
		GROUP	
	Note	2019 ZWL$	
Deemed proceeds through dividend in specie at fair value		953,464,336	122,830,000
Value of investment retained	9.4	404,288,906	52,082,500
Net assets		(599,628,745)	(77,247,146)
Recycling of changes in ownership reserve		4,364,977	562,318
Recycling of foreign currency translation reserve		(240,527,319)	(30,985,921)
Non-controlling interests		19,333,195	2,490,598
Deemed disposal on issue of shares to a third party through private placement	9.4	(3,969,060)	(511,314)
		537,326,290	**69,221,035**

	INFLATION ADJUSTED	HISTORICAL COST
	GROUP	
	Restated 2019	
28 *Earnings per share*	ZWL cents	
Basic, profit for the year from discontinued operations	2.22	0.29
Diluted, profit for the year from discontinued operations	2.22	0.29

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **25th Annual General Meeting** of Members of Seed Co Limited **("the Company")** will be held virtually on **Friday, 28th August 2020, at 0900 hours.** Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions set out below, the details of which are more fully set out below:-

ORDINARY BUSINESS: -
As ordinary resolutions:
1. Approval of Financial Statements and Reports
•To receive, consider and adopt the Annual Financial Statements and Reports of the Directors and Auditors for the year ended 31 March 2020.

2. Appointment of Directors
- In accordance with Articles 97 and 98 of the Company's Articles of Association, Messrs. M Ndoro, D Garwe, and F Ruwende retire by rotation while Messrs. Patrick Spadin who joined the Board by co-option on 03 March 2019 retire in terms of Article 104 of the Company's Articles of Association.
- All these retiring Directors offer themselves singly for re-election.
- To note the retirement of Messer's C Kabaghe and A Barron from the Board in accordance to Articles 104 of the Company Articles of Association.

3. Approval of Directors Fees
•To note the Approval of Directors' fees for the year ended 31 March 2020.

4. Auditors
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. Dividend
- No dividend has been declared for the year ended 31 March 2020 in order to preserve cash resources and safeguard the business amidst the COVID-19 Pandemic.

6. Special Resolution
•To approve the holding of the 25th Annual General Meeting virtually due to the ongoing COVID-19 Pandemic.

Registration of the AGM
•In light of the current worldwide regulations which prohibit gatherings in excess of 50 people and promoting social distance on account of the COVID-19 pandemic, the Annual General Meeting will be held virtually. Members can participate using the following link **https://eagm.creg.co.zw/eagmzim/Login.aspx#**. Please contact **Setfree Nhapi** for assistance with registration for the annual general meeting, email: **setfree@escrowgroup.org**

Annual Report
The Company's Annual Report is now available on the Company's website, **https://www.seedcogroup.com/investors/results/annual-reports,** copies of the Annual Report have also been sent to Shareholders whose emails are on record.

By Order of the Board

T.N Chimanya
Group Secretary
04 August 2020

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 Officer)
J Matorofa (Group Finance Director)
R.C.D Chitengu
P Spadin
Dr D Garwe
P Gowero
D Jacquemond
M S Ndoro
F Ruwende
F Savin

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

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

Advisory and Production Committe
M.S Ndoro (Chairman)
C Davenport
K Mafukidze
J.P Mutizwa
C Mutunhu

GROUP COMPANY SECRETARY
T.N Chimanya

SENIOR MANAGEMENT
D Zaranyika - Regional Managing Director - Southern Cluster
Dr. E Mhandu - Deputy Managing Director
L Mutunga - CFO
L Ganjani - Commercial
T.N Chimanya - Legal and Corporate Affairs/Group Company Secretary
J Derera - Research
C Fambisayi - Business Development
C Murandu - Marketing
P Mutandwa - Human Resources
D Ncube - Internal Audit
E Rupende - Production and Processing
S Ruwisi - Treasury

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Dr E Mhandu - Managing Director

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Felistus Ndawi - General Manager

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Website:www.seedcogroup.com

SEED CO LIMITED

TWENTY-FIFTH ANNUAL GENERAL MEETING
FORM OF PROXY

To be held via a Virtual Meeting on Friday the 28th of August 2020, at 0900 hours.

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 Friday the 28th of August 2020 and at any adjournment thereof.

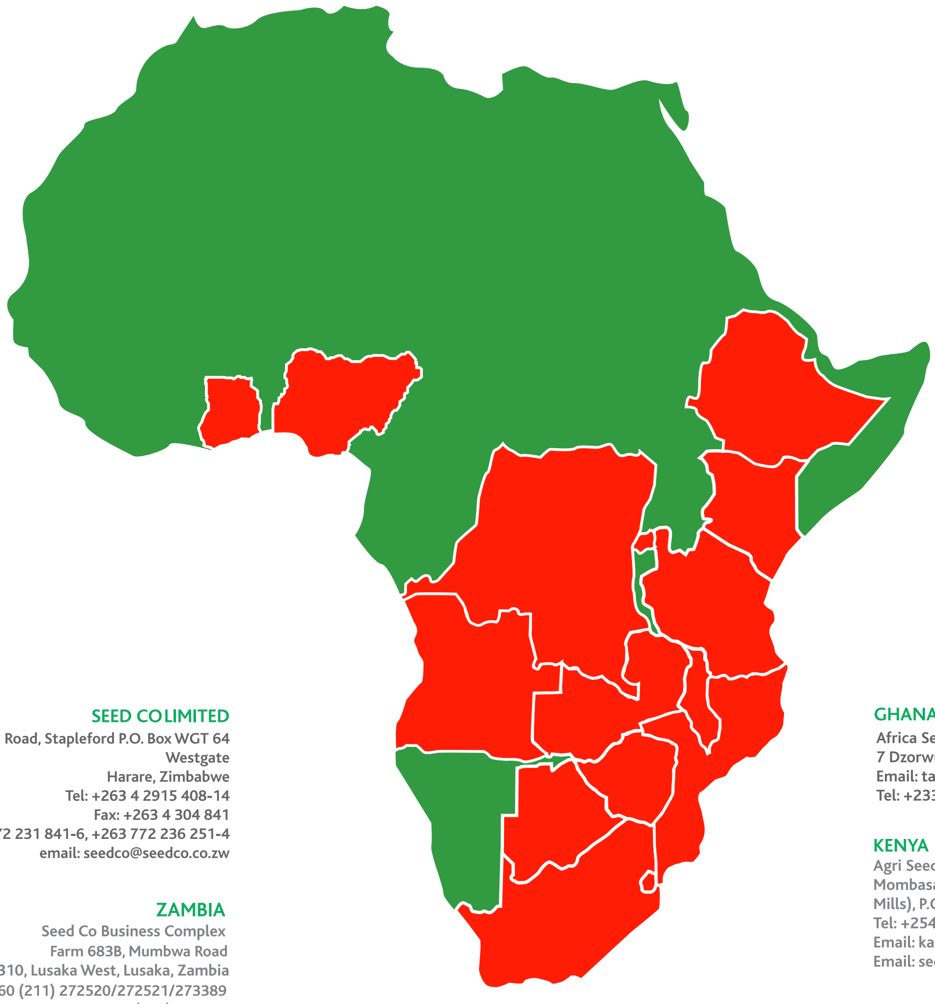
Signed on this ____________________ day of ____________________ 2020

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



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