Seed Co Limited

SEED CO

The African Seed Company

2021 Annual Report

THE HOME OF BUMPER HARVESTS

It starts with the right seed

About the Annual Report

Seed Co Limited, which is listed on the Zimbabwe Stock Exchange, is the leading producer and marketer of certified crop seeds in Africa. This annual report will help our stakeholders and the investing public make better informed decisions about our business.

This report, which is our primary report to stakeholders, covers the period 1 April 2020 to 31 March 2021. 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.

Welcome to the home of bumper harvests

Our Vision

To dominate the Agro industry in Africa.

Our Mission

We breed seed, feed and lead in Africa.

Our Brands

Specially bred for Africa hence assuring farmers highest yield.

Core Values

- Farmer Centricity: Putting customers at the centre
- People Our Pride: Results through people with passion
- Knowledge: Information advantage
- Teamwork: Work and win together
- Quality Focused: Drive for quality and value
- Innovation: Learning and applying

Contents

The Seed Co Limited Annual Report comprises of:

- Consolidated inflation adjusted financial statements of Seed Co Limited and its associates and joint venture (the Group), as set out on pages 47 to 78.
- The Annual Report includes notes to the financial statements, including a summary of significant accounting policies.
- Seed Co Limited AGM Notice and Proxy Form

Overview

Our teams acroоss Africa combine their local knowledge with our assets and expertise, tailoring solutions that create value for farmers.

Research and development

Your Company possess a strong in-house R&D base, keeping pace with world class scientific progress. Being Africa's largest seed Company, the focus centres on the combined use of conventional breeding techniques and biotechnology, to consistently improve and stabilize the yield for maximum potential.

Production

An important component of seed production is ensuring the desired genetic identity of the subsequent generation. Key practice is maintaining genetic purity. Most of our annual crops are established each season under optimum conditions and processed with state-of-the-art technologies.

Processing

Seed processing is a vital part of the total technology involved in making available high quality seed. It assures the end users, seeds of high quality. In Agriculture, the term seed processing includes cleaning, drying, seed treatment, packaging and storage.

Marketing

Seed marketing aims to satisfy the farmer's demand for reliable supply of a range of seed varieties with assured quality at an acceptable price. Operational activities include sales and distribution, marketing service activities, advertising, promotions and market research.

Support Services

Seed Co explores the ever changing role of agricultural extension services especially to the smallholder farmer in Africa. Focus is to equip farmers with knowledge and skills to run their farms as a sustainable business. Starting with the right seed and helping farmers apply good agronomic practises is key to raising incomes and livelihoods.

Product Development

Product development is the complete process of delivering a new product or improving an existing one for customers. The department coordinates complex activities of the Company which requires careful attention to detail. Ongoing product management ensures the product is subject to continuous upgrades and improvement.

Performance Highlights

Strong sales volume and revenue growth was achieved due to heightened seed demand on the back of favourable weather conditions.

	INFLATION ADJUSTED	HISTORICAL COST
MAIZE SEED SALE VOLUMES	↑ 60.8%	↑ 60.8%
REVENUE	↑ 59.6%	↑ 789.0%
EBITDA	↑ 58.3%	↑ 773.0%
PAT	↑ 300%	↑ 667%

** All inflation adjusted comparatives have been restated in terms of the measuring unit current at the end of the latest reporting period.*
^ Foreign currency translation reserve through OCI and investments in associates have been restated at the applicable exchange rates.

Chairman's Letter

"I would like to take this opportunity to express my sincere gratitude to my fellow Board Members for the wise counsel, guidance and support to Management and staff."

D.E.B Long - Chairman

Dear Stakeholders

I have the pleasure to present the annual report for the financial year ended 31 March 2021. The year was characterised by COVID-19 pandemic which had significant global impacts on businesses, economies, society and supply chains. The Country responded to the pandemic with national lockdowns and health guidelines which restricted movement of people and commercial activities. Despite these developments, the company's resilience accomplished phenomenal results.

Operating Environment

Zimbabwe received normal to above normal rainfall during the agricultural season under review accompanied by Government agricultural inputs initiatives. The Country anticipates a good harvest and improved food security. However, the operating environment remains characterised by high inflation, local and foreign currency shortage and consumer purchasing power erosion. During the year, the Government introduced a foreign currency auction trading system which allocate foreign currency to national and economic priorities. As such, we remain positive of this development and other measures being taken by Government to improve the business operating environment.

Financial Performance

The Company posted turnover of ZWL$5.8bn, in inflation-adjusted terms, which was 60% above prior year (ZWL$3.7bn) driven by 36% volumes growth. Operating profit grew by 45% to ZWL$3.2bn, and PAT of ZWL$0.8bn reversed last year's loss of ZWL$0.4bn. The Company maintained a stable financial position to sustain operations and growth ambitions.

Production and Quality

The Company maintained an adequate three year cover stock of parent seed. The total maize seed available for the season of 17,000 mt was adequate to meet demand for the year to leave surplus for the next season. Other seeds production remained in strong position. Despite the COVID-19 disruptions, we expect strong production levels. Seed quality tests produced satisfactory results to anchor our brands. The Company continue to enhance production facilities.

Research and Development

The Company continue to develop new seed varieties resilient and adaptive to climate change. New maize, wheat, sorghum, pearl millet, rice and sunflower seed varieties were tested while some piloted for production. Upgrading and modernising of our research facilities was strategic to enhance our capabilities.

Artificial Seed Dryer

A state-of-the-art Artificial Seed Maize Dryer with a capacity of 5,000tonnes per season at Stapleford, Zimbabwe is now 100% complete subsequent to year end. This confidence building investment in agriculture was implemented at a cost of USD$12.8 million and has a number of advantages which include:

Chairman's Letter

- Quality of seed maize is significantly improved through elimination of pest challenges since seed maize harvesting is done at 35% moisture content.
- Farmers can double crop per unit area by utilising land for a winter crop after harvesting seed maize.
- Cost of producing seed maize by seed growers is reduced since activities such as on-farm cob sorting, shelling, hand picking, and bagging are eliminated.
- Seed maize is made available to the market early for commercial farmers to purchase and plant, thereby attaining higher yields.
- Enhancement of the Group's Balance Sheet.

Business Development

I am pleased to report that vegetable and other new seed varieties were introduced. Zimbabwe launched its USD On-line shop which will enhance convenience and efficiency for our customer shopping with the high demand for our products.

Future Prospects

Despite the ongoing COVID-19 pandemic and prevailing economic developments, Zimbabwe continue to provide future growth prospects. Infrastructure developments such as dryers, seed variety and improved production will drive performance.

Responsible Business

The company remains committed to upholding responsible business practices and values across operations. Corporate sustainability will now strengthen the Company's integrated management of economic, environmental, social and governance impacts and opportunities in our value chains.

COVID-19 Impacts and Response

The COVID-19 pandemic disrupted some of our business operations and supply chains. While the Group recorded COVID-19 cases, I am pleased to report that there were no fatalities. Due to the Covid-19 pandemic the business activated its Business Continuity Framework across all its markets to protect employees, customers, and stakeholders. Shift working patterns were adopted across all our factories with enhanced safety and health measures being put into place. The Company procured 10,000 vaccines for employees, their families and key stakeholders that include seed growers.

Human Capital

Our staff remain strategic to value creation and growth of the business. The company invest and support good working conditions, staff welfare and skills development. It was pleasing that we had an accident free and no-work related fatalities during the year. We are proud that some of our executives have been appointed into seed research and development working group at the Africa Union to spearhead research and development of crop seeds in Africa and the global world. Our talent retention policies have seen almost 98% of all promotions done during the year under review being from within the Company. This is evident of our working succession planning and ensuring that opportunities are spread across the Company employees.

Sustainable Development

As a responsible corporate citizen, we strongly believe in the transformation and empowerment of our communities. We respond to needs through corporate social investments design to provide indirect economic impacts. During the year, the Company donated various items and supported government efforts in the fight against COVID-19 pandemic, social welfare and community needs.

Appreciations

I would like to take this opportunity to express my sincere gratitude to fellow Board Members for the wise counsel, guidance and support to Management and Staff. My thanks goes to Morgan Nzwere and his Executive Team for their sterling leadership and inspiring shared values among staff. Most of all, my sincere appreciation goes to our strategic partners who includes customers, the farmers, seed growers shareholders, suppliers and regulators for their support and contribution to our shared vision of sustainable success.

D.E.B Long
Chairman
14 June 2021

Chief Executive Officer's Review

> "Seed Co is now renowned across Africa as a leading seed house that provides farmers with competitive, and climate smart seed products suitably adapted to the region."

Morgan Nzwere - Group Chief Executive

Overview

The Global Covid-19 Pandemic was the main challenge for the year, and this affected resource allocation by both Governments and development partners with a tough balancing act between fighting the pandemic and ensuring food security. Food security was invariably the next uppermost priority to safeguard livelihoods following economic disruptions induced by the pandemic. Better rains across markets helped to deliver a largely successful season responding well to various stakeholder interventions in primary food production. The Group's associate regional business, Seed Co International migrated its secondary listing from the Zimbabwe Stock Exchange (ZSE) to the newly created Victoria Falls Stock Exchange (VFEX). However, the strategic bulking initiative to consolidate all the Zimbabwean operations under Seed Co International faced regulatory hurdles despite having obtained most of the required approvals. Consequently, the consolidation transaction was abandoned just after year end.

Group Financial Review

Introduction

The Group's functional currency is the ZWL in line Zimbabwean statutory requirements. Financial reporting continued to be challenging in Zimbabwe given the prevailing hyperinflation fueled by the movement in exchange rates as the country adopted an auction trading system for foreign currency.

The financial commentary below is based on the inflation adjusted numbers.

Income Statement Revenue

Revenue was up by 60% compared to prior year driven mainly by volume growth and some adjustments to prices to track inflation. Maize seed sales volumes were down by 61% due to a combination of relatively good rains, Zimbabwe Government related agricultural input support initiatives and export opportunities. Local wheat seed sales were stable but overall wheat volumes were up 66% boosted by a 2,000mt export order.

Other income

Increase in other income was due to the growth in R & D recoveries, exchange gains on foreign denominated receivables as well as increased non-seed items distributed to our growers in tandem with business growth.

REVENUE

59.6%

EBITDA

58.3%

MAIZE SEED SALE VOLUMES

60.8%

CHIEF EXECUTIVE OFFICER'S REVIEW

Operating expenses

Operating costs increased by 56% owing in tandem with the 60% surge in revenue on the back of increased demand that drove business activity.

Finance costs

The finance costs were significantly higher than prior year due to the increased borrowings and interest rates induced by the hyperinflation.

The Company received US$12.8m 7-year funding from Proparco towards year-end that is going to be applied towards refinancing the completed drier project.

Associates and joint venture operations

The contribution from associates and joint venture declined in inflation-adjusted terms was mainly due to the foreign exchange induced loss in the local vegetable joint venture, Prime Seed, as well as the reduced profitability from the cotton seed associate, Quton, owing to monetary losses. The surge in profitability from the regional associate, Seed Co International, was not adequate to more than offset the subdued performance from the local investments.

Seed Co International's performance was phenomenal by all metrics highlighted by turnover growth of 26% and near double growth in profit after tax. The regional business was buoyed by outstanding performance in Malawi, Kenya, Nigeria, DRC, and Mozambique as well as notable growth by the regional vegetable business joint venture.

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

Seed Co International	FY21	FY20	Growth
	US$'M	US$'M	%
Revenue	88.5	70.1	26%
Operating profit	18.1	13.9	30%
Profit before tax	15.3	10.4	47%
Profit after tax	11.1	6.1	82%
% shareholding	27.3%	27.3%	
Share of profit	3	1.7	
34Sales volumes	49,375mt	36,837mt	34%

Quton Seed Company	FY21	FY20	Decline
	ZWL'BN	ZWL'BN	%
Revenue	1.44	1.60	(10%)
Operating profit	0.10	0.10	-
Profit before tax	0.42	0.63	(33%)
Profit after tax	0.23	0.40	(43%)
% shareholding	40%	40%	
Share of profit	0.09	0.16	
34Sales volumes	8,041mt	8,024mt	-

Prime Seed Zimbabwe	FY21	FY20	Growth
	ZWL'BN	ZWL'BN	%
Revenue	0.46	0.40	15%
Operating profit	(0.26)	(0.09)	(178%)
Profit before tax	(0.16)	0.22	(174%)
Profit after tax	(0.14)	0.17	(184%)
% shareholding	51%	51%	
Share of profit	(0.07)	0.09	

Group profit for the year

The Profit After Tax increased to ZWL$0,829bn driven by the better performance of the local business as well as the exceptional performance of the regional associate business.

Group statement of financial position

The non-current assets increased to ZWL$0.6bn anchored by the revaluation of investments.

Inventories and biological assets

The decline in inventories and biological assets was mainly due to the unanticipated volume growth which saw the business experiencing stockouts.

Trade and other receivables

Receivables increased in line with the growth in revenue. Most of the receivables were collected soon after year-end.

Equity

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

Seed supply

Better rainfall during the production season significantly increased the expected raw seed deliveries. The company is busy mobilising working capital to fund seed intake and processing ahead of next selling season.

New Seed Drying and Processing facilities

The construction of the seed drying facilities at the company's Stapleford premises near Harare was finally completed after facing several setbacks that included funding shortages and Covid-19 pandemic induced logistical constraints. These facilities are expected to address the following challenges that are emerging with climate change:

- 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.

CHIEF EXECUTIVE OFFICER'S REVIEW

Zimbabwe - Artificial Seed Drying Plant ready for work

Artificial Seed Drying Plant mechanisms in place

Research & development

The following new maize seed varieties were released in Zimbabwe.

- SC423 which is higher yielding than the current short season varieties.
- SC553, SC557 and SC559 which are higher yielding than SC513 and more adapted to drought and low soil fertility conditions.
- SC614, SC653, SC663 and SC665 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.

A canola hybrid, Jazz, a vegetable that is mainly used as an oilseed was released in Zimbabwe.

The Group's Research & Development also worked to register SC653 in Malawi and SC419 and SC667 in Nigeria as well as two wheat varieties in Zambia.

Quton

8,041mt cotton seed sales volume was in line with prior year

- Inflation adjusted financial performance was weighed down by the monetary loss that increased from ZWL$0.2bn to just over
- ZWL$0.5bn in FY21

Prime Seed Co Zimbabwe

- Sales and general performance was weighed down by foreign currency shortages
- The business is dependent on imported vegetable seed hybrids
- Stock shortages and FX losses resulted in the business posting a marginal loss
- Prospects are hinged on FX availability and internal efforts to increase local production of the few vegetable hybrids that can be produced in our tropical climatic conditions

Seed Co International

- The Seed Co International Group ("SCI") scored phenomenal growth by all metrics driven by strong performance across all markets with sales volumes increasing by 34% to 49,375mt.
- Malawi, Kenya, Nigeria, DRC, and Mozambique performance exceeded expectations buoyed by good rains, product supply and enhanced participation by governments in ensuring food security.

✓ Turnover in Zambia increased by 7% to $28.7M with growth coming from DRC;

✓ Sales in Malawi were 100% up to $18.4M buoyed by a huge Gvt inputs program

Kenya sales surged 46% to $12.4M boosted by both local & export demand

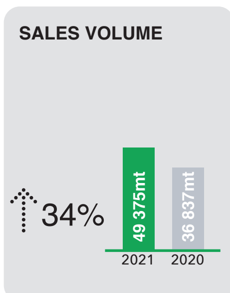
✓ Tanzania sales increased by 7% to $17.7M due to attractive grain prices which improved seed uptake & planted area

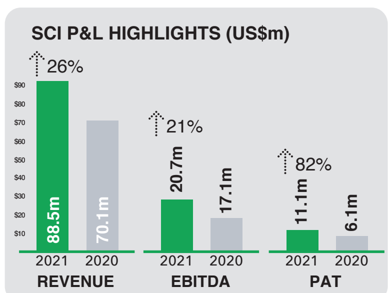
The Southern African Customs Union region (CCU), which now only comprise Botswana & Mozambique, increased revenue by 17.5% to $9.4M with notable growth coming from Mozambique

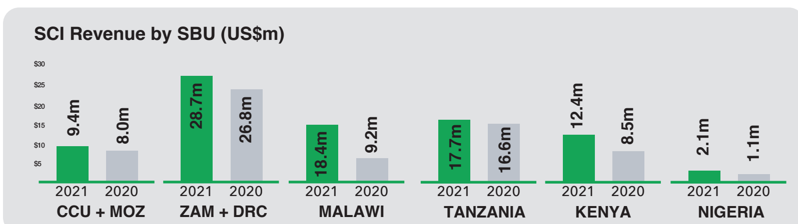
✓ Nigeria doubled sales to $2.1M from increasing confidence in the Seed Co brand supported by institutional sales under a program funded by the Central Bank

✓ a new seed processing & packaging plant commissioned in Nigeria

- All fully fledged Seed Co International cereal seed SBUs were profitable on the back of increased volumes and cost containment
- Prime Seed Co International business registered notable turnover growth and narrowed its loss significantly.







CHIEF EXECUTIVE OFFICER'S REVIEW

Outlook

Post-balance sheet promulgation of SI 127 of 2021 on 27 May 2021 in Zimbabwe to present challenges in value preservation due to:

- ✓ Sustainable seed prices given the sensitivities around food.
- ✓ cost-push from growers and other suppliers with flexibility to adjust prices more than Seed Co

Subject to favourable climate and economic conditions, Seed Co Limited is expected to ride on the good performance achieved in the just ended financial year on the back of the anticipated continuation of Gvt programs ahead of 2023 elections

The completion of the seed drier should enable us to bring seed to the market much quicker and also continue to improve seed quality.

On the regional front:

- ✓ Malawi is expected to continue benefiting from the new Government food security programme
- ✓ Kenya and Tanzania are anticipated to continue growing their market shares
- ✓ export markets, Mozambique & DRC, to continue increasing their contribution
- ✓ stable performance is forecast in Zambia but economic decline a key risk
- ✓ the agriculture industry remains an essential service in all the markets we operate.
- ✓ continued progress in our frontier markets like Ethiopia and other West African countries

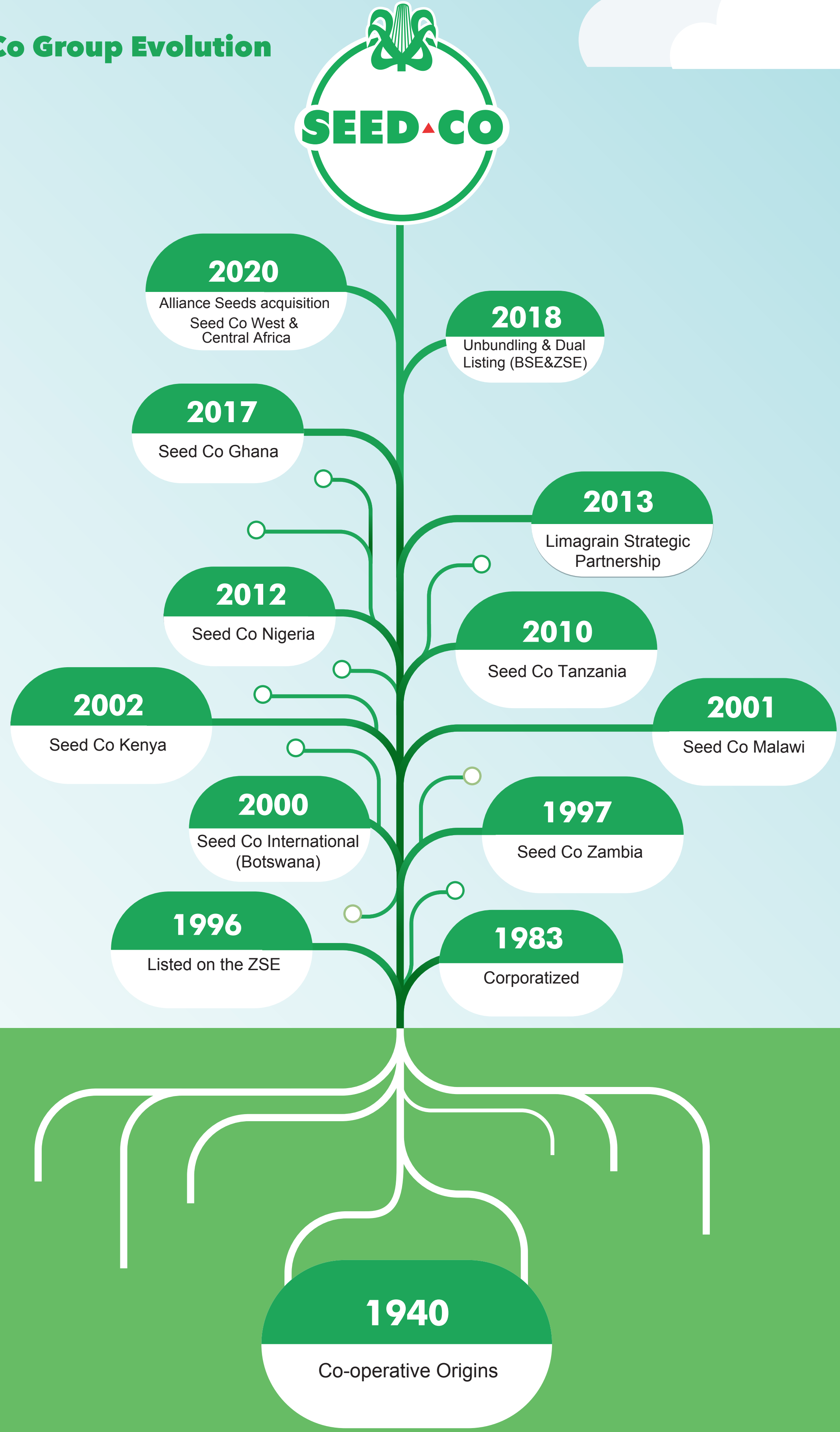
Acknowledgement

The just ended financial year was challenging at individual and business level due to the ravaging Covid-19 Pandemic. Despite these challenges, Team Seed Co persevered to deliver record performance in both Zimbabwe and the region. I would like to thank the Seed Co family for the exceptional dedication to the business' cause during these challenging times. I also wish to appreciate the Board's resolute support and guidance during the turbulent times. Seed Co is now renowned across Africa as a leading seed house that provides farmers with competitive and climate smart seed products suitably adapted to the region.

Group Chief Executive
14 June 2021

Panoramic view of the recently built Artificial Seed Drying Plant in Zimbabwe

Seed Co Group Evolution



Research and development

Seedling germination test in a Zambia Lab

Lusaka Zambia Research Station

Seed germination tests at the Zambia Laboratory

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.

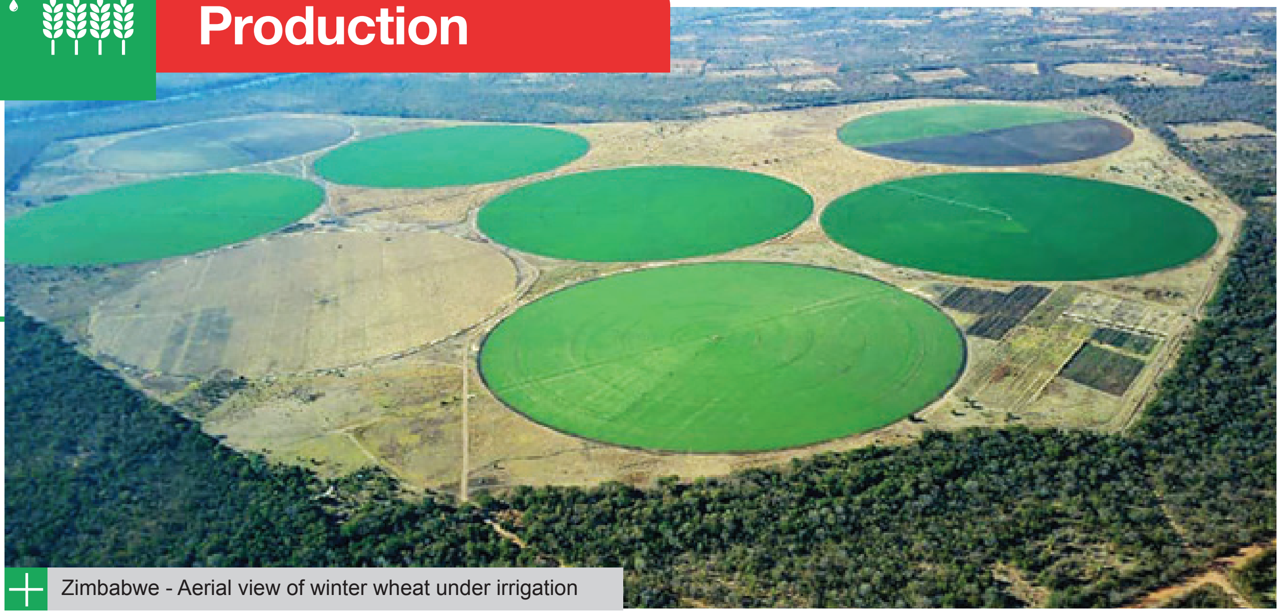
Scientific progress, especially in the genetic sphere, has allowed us to make rapid and useful progress to improve plants. The results of varietal creation now allow us to offer more productive varieties that are better adapted to the climates and other characteristics of particular regions, more resistant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

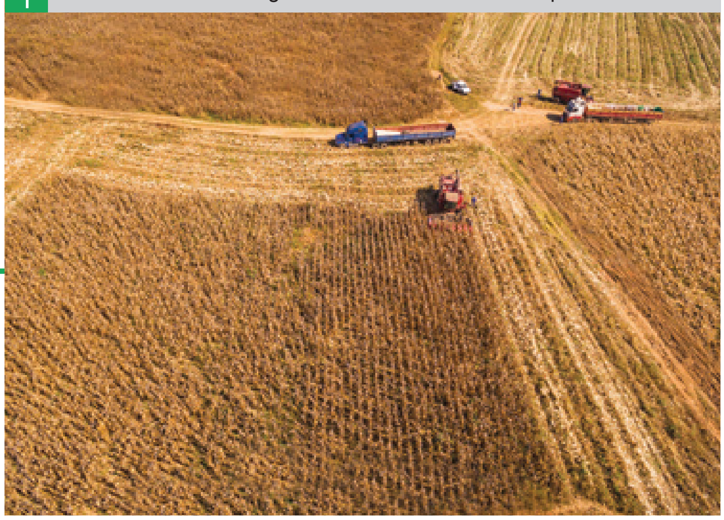
Production



Zimbabwe - Aerial view of winter wheat under irrigation

Zimbabwe - Outstanding Seed Co winter wheat crop

Zimbabwe - Harvesting of maize seed at one of our production farms



Successful seed production requires the application of good farming practices along with careful management of the crop. We have provided a book on agronomy that focuses on the production and use of the crops for seed. However, it must be assumed that good farming practices are followed. In the book we describe how agronomic practices relate to seed production in general and the special practices necessary for seed production
in particular.

Good quality and certified seed at all times is very important at Seed Co. In farming, seed is a critical input to enhance production and producivity. Seed is the first input required for crop farming. When good quality seeds are planted, chances are that yield will be higher. Evidence and experience from farmers have shown that planting good quality seed has many advantages which include:

Increases yield significantly and in some cases could double yield. If yield is increased significantly, there will be more food, and farmers will make more money from selling surplus.

Good quality seed reduces the amount of weeds on the farm. With good quality seeds farmers are more likely to have uniform crops growing together which makes it easier for farmers to undertake other cultural practices such as thinning, weeding, fertilizer application, harvesting and many more.

Our seed varieties are grown to protect the farmer from crop diseases. This is possible because some diseases are introduced by seeds that are already infected.

Processing

The recently completed Artificial Seed Drying Plant in Zimbabwe

Latest seed drying machines at the Artificial Seed Drying Plant

Zimbabwe - Operator working on Seed packaging machines

Seed processing is a vital part of the total technology involved in making available high quality seed. At Seed Co processing includes cleaning, drying, seed treatment, packaging and storage.

The process is divided into two main categories: seed cleaning and seed treating. Seed cleaning involves the use of equipment to make various size and density separations of material so that the healthy seed is separated from the trash and bad seed. Depending on the customers needs, this can be an in-depth process involving various machines to achieve the required degree of separation. We understand that often times the needs are driven by customers. Our diverse Seed Processing line allows us to cater directly to those needs. Seed treating or seed dressing is most commonly for seed purposed for replanting. This process involves taking the cleaned seed and coating them in a chemical, usually antimicrobial or fungicidal, to make the seed more robust for the field.

After harvesting, seeds are brought to the seed processing unit from the field are frequently at high moisture content. Seed drying processing is the vital one to bring the seeds to a safe moisture content level by drying the seeds and also to reduce undesirable materials to the maximum possible

The Artificial Seed Drying Plant technology that Seed Co has installed in Zimbabwe is benefiting the process greatly 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 deployed such technology.

Marketing

Zambia - Marketing of seed products at a Field day in Lusaka

Zambia - Calculated Country wide competitions to increase sales

Large format billboard advertising in Botswana

We continue to undertake marketing and branding initiatives to connect with farmers and to educate them about superior quality seeds available at Seed Co, allowing them to choose the finest seeds to improve yield

Seed Co has carved a niche for itself and its success can be attributed to the consistent efforts of our goal oriented marketing team. We not only aim to meet the aspirations of farmers and consumers by developing need based products, we also work cohesively to attain and exceed marketing objectives.

At the home of bumper harvests we are not just satisfied with offering innovative crop solutions, but remain enthused to provide maximum support to our end- users after the launch of our product. Our best practices and constant commitment to deliver promising products helps to establish our position in existing markets while foraying into new territories, thereby unlocking opportunities for growth. After all, growth is supposed to be about "more", more new products, more categories and more markets. And focused growth keeps the company on the right track, regardless of economic environments.

To enable our aspirations, we rely on our marketing initiatives and brand building efforts to further improve our reach, enhance our distribution network and increase our brand awareness among consum- ers, farmers as well as dealers across Africa.

We consider our distributors and retailers an integral part of the value chain. Through our marketing initiatives, we educate distributors and retailers about the benefits of each product, share technical and environmental knowledge, which is in turn passed on to farmers. It has not only improved our brand stewardship, it also drives us to build a sustainable business.

Support Services

Showing farmers how to harvest a succesful crop in Zimbabwe Matebeleland

Zimbabwe - Correct storage of crops is important for food security

Zimbabwe - Educating farmers about good agronomy practices

We are a farmer centric organization, whilst continuously investing in Research & Development to develop high quality seeds resulting in high yields we continuously enagage with the farmers to help create value by partnering with them on product development initiatives and also by conducting various awareness programmes to help increase their farm productivity.

We invite the local farmers to our demo plots to compare our products against the leading commercial products in each crop and record their feedback on our pipeline products. All the observations recorded across locations towards yield potential, stability, reactions towards biotic & abiotic stress and the feedback is thoroughly considered before launching the new product.

Field days are a platform to strengthen the confidence and trust of farmers on our brand. We conduct farmer education programmes across geographies and make them aware of our new and high-yielding products. In this regard we engage our farmers and and introduce them to our wide product portfolio.

Our agronomists educate farmers about our products and agronomy practices to be followed in specific geographies.

Our team participates and sponsors in various agricultural festivals across Africa at district and state levels. These festivals are organised in collaboration with the various State Department of Agriculture, State Agricultural Universities and ICAR institutions.

Through these initiatives, we endeavor to provide knowledge on new technologies and better farming techniques to the farmers.

Product Development

One of Seed Co Zimbabwe meetings with local farmers on seed varieties

Zimbabwe - Improving our seed products is our goal

PD Data collection - Farmer interview in Lusaka Zambia

Product development is the complete process of delivering a new product or improving an existing one for our farmers. The department coordinates complex activities of the Company which requires careful attention to detail. Ongoing product management ensures the product is subject to continuous upgrades and improvement.

Seed Co's PD function has managed to establish a reliable and 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 invested 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.

Supply Chain Operations

Zimbabwe seed processing plant

Nigeria seed processing plant ready for production

Malawi - Seed reaching the most remote farmers ontime is our goal

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

Vegetables

Zambia - Seed Co Vegetables commercial advert

Zimbabwe - Vegetable seeds available for sale all year round

Malawi - Another successful cabbage field by Seed Co

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.

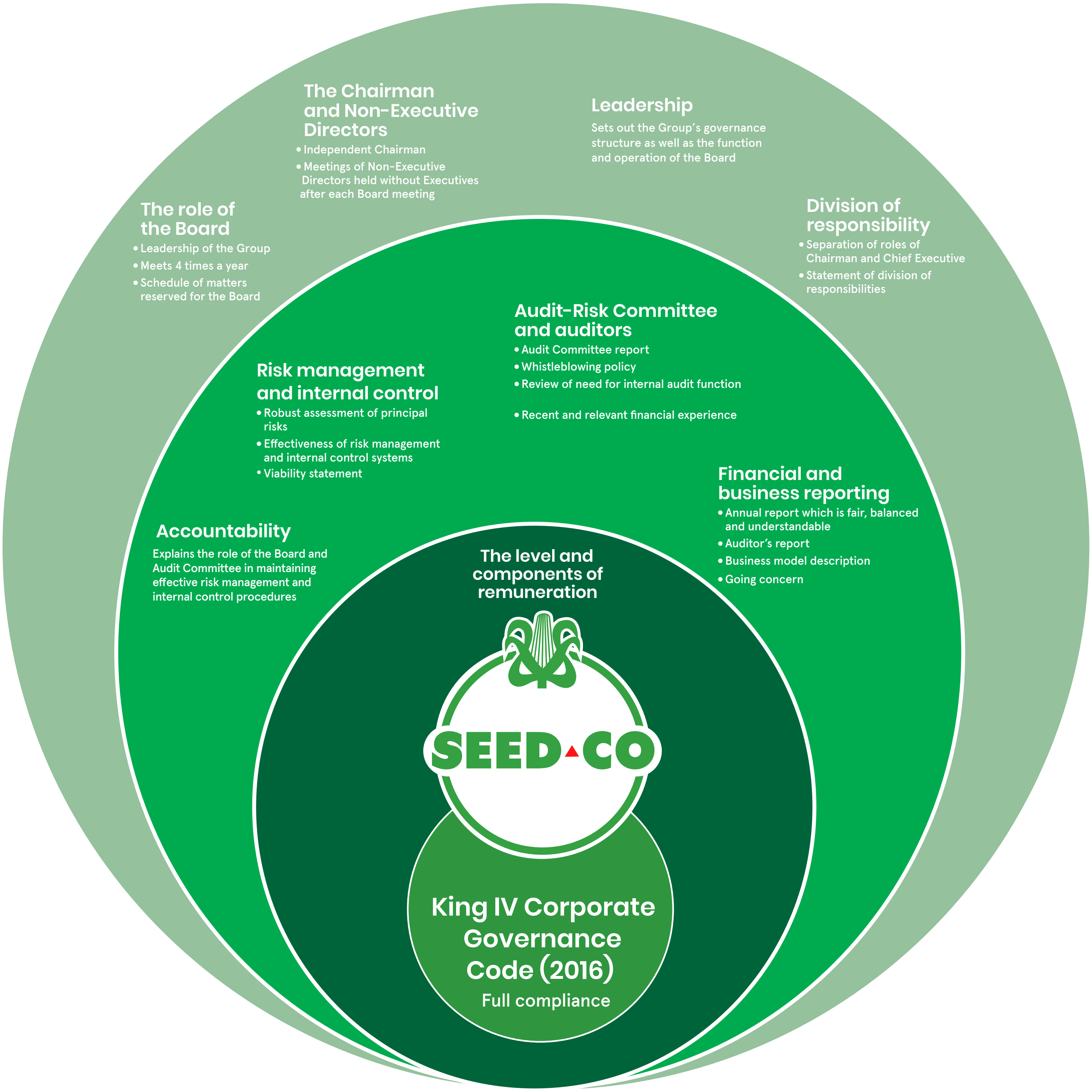
Our Vegetables business covers many species across leafy and fruity plant categories. Across all these markets, there is an overall trend of rising expectations in terms of both quality and seasonal availability. We help growers meet the requirements of their customers – whether consumers, retailers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

SEED CO GOVERNANCE AT A GLANCE



SEED CO GOVERNANCE AT A GLANCE

Relations with Shareholders and 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 Company 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.

Seed Sector conferences	Trading updates	Analyst Briefing
Consultations	Field days	Field tours
Live webcasts	Publication Announcements	Annual General Meeting

GOVERNANCE STATEMENT

OUR LEADERSHIP AND CORPORATE GOVERNANCE – ENDURING SUCCESS AND BUMPER HARVESTS 81 YEARS LATER

As the guardian of ethical governance with collective responsibility for setting an ethical tone at the top, the Seed Co Limited Board continues to steer this spirited evolution of culture and governance, ensuring that high ethical standards and governance practices are channelled into all levels of the organisation to enhance our reputation, build trust, and, ultimately, lead to the creation and protection of value for all stakeholders across all our African markets. The Seed Co culture that has been built over the last 81 years, including the values embedded in our business have enabled the Board to focus on steering the Group through the initial tough trading conditions affecting the agriculture sector during the COVID-19 pandemic lockdown period. The Board swiftly activated and ensured the implementation of the Group Business Continuity plan , in the knowledge that the ethical culture, high standards of governance, and integrity across the Group would hold firm. In addition, our governance framework contributed to the efficient functioning of our governance structures, allowing the Board and Executive Management to focus on the significant challenges and agile decision-making required to respond appropriately to the COVID-19 pandemic. As governments across the world grappled with the pandemic and moved swiftly to implement strict measures and lockdown regulations to slow the spread of the virus, swift action was required to mitigate the impacts across our value chain which saw initially weekly Business Continuity Meetings across the group and eventually monthly meetings once the BCP was fully embedded and became a fully functioning tool in how conducted business. The governance framework, which continues to provides role clarity and clearly delineated roles and areas of accountability, facilitated a well-coordinated response to COVID-19, ensuring strategic alignment across the Group and efficient and informed decision-making at the appropriate levels.

OUR APPROACH TO CORPORATE GOVERNANCE

The Board is 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 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™ 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, contributes to ongoing value creation by driving:

Our corporate governance framework relies on the following principles:

1. Equitable and fair treatment of every shareholder
2. Professionalism and leadership of the Board of Directors
3. Accountability of the Board of Directors and Executive Bodies
4. Corporate Social Responsibility and Sustainable Reporting objectives
5. Transparent and timely disclosure
6. Combating corruption

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.

GROUP CORPORATE GOVERNANCE FRAMEWORK

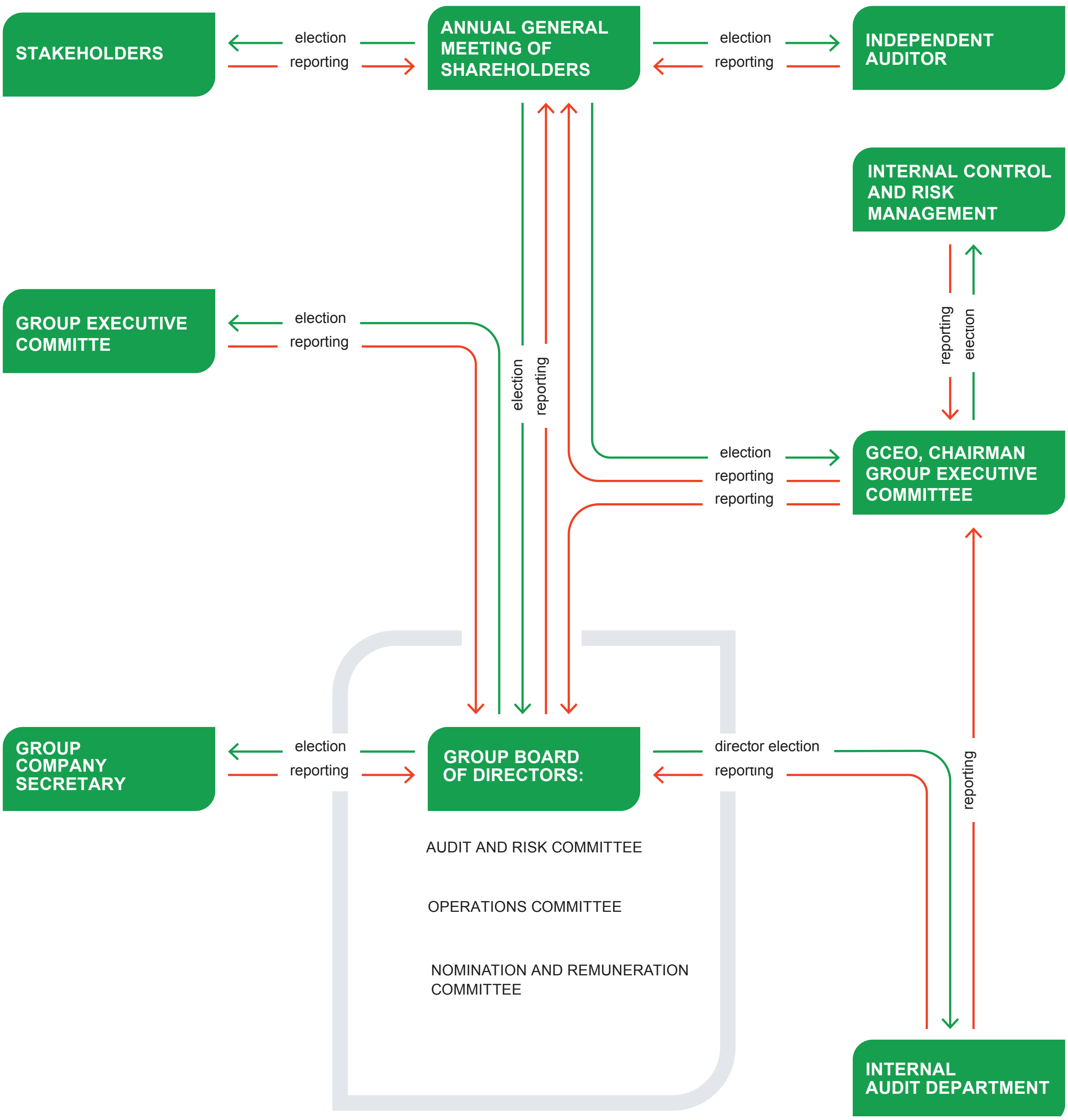
In its corporate governance practice, Seed Co is governed by applicable laws, listing rules, and recommendations of the King IV Corporate Governance Code. Seed Co's corporate governance framework is designed to balance the interests of our shareholders, the Board of Directors, management, and employees, as well as other stakeholders involved in its's activities. The approach, key principles and mechanisms underpinning Seed Co's efforts to build a robust corporate governance framework are based on the applicable laws, including the King IV Corporate Governance Code.

The Seed Co Limited Board remains committed to the practice of good corporate governance and subscribes to the following:

- Companies and Other Business Entities Act 2019
- The Zimbabwe Stock Exchange Listings Requirements
- King Code IV on Good Corporate Governance
- The International Financial Reporting Standards
- The Global Reporting Initiative's (GRI) Sustainability Reporting - guidelines on economic, environmental, and social performance.
- Organisation for Economic Cooperation and Development (OECD 1999) Principles of Corporate Governance

GOVERNANCE STATEMENT

Governance framework



GOVERNANCE STATEMENT

Risk and Compliance

The Board sets the direction for the manner in which risk management is approached and addressed in the Group. The Audit and Risk Committee, oversees and directs the Group's implementation of an effective risk management and compliance framework plan. The risk management process comprises a formalised system to identify and assess risk, both at a strategic and an operational level. Further details on the entire risk management process in the Group is provided in the Risk Management section of this report on **page 32** The Board is committed to the Group's compliance to conducting business in accordance with the legal and regulatory requirements applicable in the countries in which the Group operates and recognises its accountability and responsibilities to all stakeholders.

The Board has, consequently, approved a compliance programme which wholly forms the Group's risk management framework. Management is responsible for the design, implementation, and monitoring of compliance structures as well as for integrating regulatory compliance into business processes. Each business has its own unique regulatory universe which is assessed against defined risk criteria and informs the compliance monitoring plan for the relevant business. Compliance monitoring forms an essential component of the compliance process and is designed to examine business activities to enable management and the Board to ensure that business is conducted in compliance with relevant regulatory requirements. Key regulatory items are monitored more frequently and reported to the Risk and Compliance Committee every quarter. Management continually strives to integrate compliance as a key component of organisational culture. This culture is further entrenched through ongoing training and awareness of regulatory modules which are designed and administered by the compliance team. The compliance function forms part of the Group combined assurance model which covers the three lines of defence, namely, management control, risk control, and compliance oversight functions, as well as independent assurance. The Board is not aware of the Group having breached any material regulatory requirements or having failed to meet any statutory obligations during the year under review.

Seed Co Corporate Governance Structure

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

Group Chief Executive Officer

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

Group Executive Committee
- Implementation of long-term Group strategy
- Day-to-day operational matters
- Strategy

GOVERNANCE STATEMENT

Board of Directors

Composition and structure

The Board of Directors is responsible for the general management of all Seed Co's operations, excluding matters reserved to the Annual General Meeting of Shareholders. The Board of Directors plays a crucial role in designing and developing the corporate governance framework, ensures the protection and exercise of shareholders rights, and supervises the Group Executive Committee. The Board of Directors has continued to set the fundamental principles of business conduct and is responsible for nurturing the Group's business and social culture in all our markets across Africa. The Board's authority and formation process, as well as procedures for convening and holding Board meetings are determined by the Articles of Association and the Board Charter of the Board which all comprise the Group's Corporate Governance Manual.

According to the Group's Articles of Association, the Board of Directors has 10 members. Members of the Board are elected at the Annual General Meeting of Shareholders for a 3 year period until the next Annual General Meeting of Shareholders. The Board of Directors may recommend that the General Meeting of

Shareholders amends the Articles of Association by changing the number of Board Members and may only be elected after the relevant amendments to the Articles of Association are approved by the General Meeting of Shareholders and their state registration is completed. Until a new Board of Directors with the new number of members is elected, the decision-making rights and process of the then active Board remain unchanged, with the Board making its recommendations as to nominee Board members including independent directors. The current size of the Board of Directors is best aligned with Seed Co's goals and objectives, and its appropriate independence mix ensures that decision making considers the interests of various stakeholders and enhances the quality of executive and managerial decisions. The current Board of Directors comprises seven (7) Independent Directors, beyond the minimum requirement set out in the Listing Rules and the Corporate Governance Code, which enables highly professional, independent judgements on matters on the agenda.

BOARD OF DIRECTORS' PERFORMANCE

At its meetings in 2021, the Board focused on corporate governance, financial and business operations, operations of controlled entities, approval of interested-party transactions, as well as aspects of priority business lines. The Board has a unitary structure, comprising an Independent Non-Executive Chairman, Independent Directors, the Group Chief Executive Officer, and Group Chief Financial Officer and an appropriate number of non-executive directors, with a majority being Non-Executive Directors. Our Board's diverse knowledge, skills, experience, and independence enable varied and objective perspectives to be brought into Board discussions and decision-making. All Non-Executive Directors remain classified as independent following the independence assessment conducted this year. To support shareholder value creation and ensure robust protection of shareholder rights and interests, Seed Co continued to focus on its strategy and business priorities, and improve its corporate governance and social responsibility framework, seeking to achieve excellence in governance so as to mitigate investment risks. In the year under review, Seed Co paid significant attention to innovative development and the use of new technology as part of its operational excellence drive for the research and development of new products. Seed Co's dedicated programme covered initiatives to step up operational efficiency, cut operating costs, and improve, business continuity, safety, and health performance across the business's footprint. A smart strategy and an in-depth analysis of market developments helped propel Seed Col to an entirely new level of efficiency, reaffirming its status as the truly Pan African Seed Company. Seed Co continuously improves its corporate governance framework and adopts global best practice, keeping in mind their significant impact on the Company's sustainable development and valuation.

Chairman

The roles of the Chairman and Chief Executive Officer ("CEO") are separate with the Chairman being independent. The Chairman of the Board of Directors organises the Board's work, convenes and chairs meetings, and chairs the General Meetings of Shareholders. The key responsibilities of the Chairman of the Board of Directors are to ensure high levels of trust at Board meetings and constructive cooperation between the Board members and corporate management.

The Board of Directors has been chaired by David Long, who in line with global best practice is a Senior Independent Director. David's external Non-Executive Directorships enable the Seed Co's Board of Directors to better keep abreast of global best practice in corporate governance.

As at year-end 31 March 2021, the Seed Co Limited Board comprised:

GOVERNANCE STATEMENT

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 55

J Matorofa
Group CFO Executive Director
MBA, B Acc, CA (Z), CA(SA) - Age 53

RCD Chitengu
Independent Non-Executive Director
ACIMA, B.Comm - Age 50

D Jacquemond
Non-Executive Director
CA - Age 64

P Gowero
Independent Non-Executive Director
MBA, BSc - Age 63

MS Ndoro
Independent Non-Executive Director
MBA, BSc - Age 56

P Spadin
Non-Executive Director
MBA, MSc, BSc - Age 55

Dr D Garwe
Independent Non-Executive Director
PhD,MSc,BSC - Age 54

F Savin
Non-Executive Director
MSc, BSc - Age 60

GOVERNANCE STATEMENT

Group Chief Executive Officer

The Seed Co 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. In the year under review the Group CEO and Executive Management 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 working hand in hand with Executive Management 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 Managers across the Group and associate companies as well as performance appraisals for Executive and Senior Management. Seed Co's talent pool has continued to be used to replace staff resigning from the Group thereby ensuring an excellent business continuity framework. 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 Executive and Senior management 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 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.

Audit and Risk Committee

(RCD Chitengu – Chairman, MS Ndoro and D Jacquemond)

The committee's primary purpose is to provide independent oversight of the effectiveness of the internal financial controls and the system of internal controls to assist the Board in ensuring and monitoring the integrity of the Group's Annual Financial Statements and related external reports. The committee further oversees the effectiveness of the Group's external and internal assurance functions and services that contribute to ensuring the integrity of the Group's financial and integrated reporting.

RCD Chitengu
Chairman

M S Ndoro

D Jacquemond

Remuneration and Nomination Committee

(P Gowero – Chairman, DEB Long and M.S Ndoro)

The Committee primary purposes is to assist the Board with the nomination, election, and appointment of Directors in accordance with Board policies and the succession strategy, ensuring that the process is transparent and delivers to expectations. The committee is also responsible for executive management succession working with the Group Chief Executive Officer.

P Gowero
Chairman

DEB Long

M S Ndoro

Advisory and Production Committee

MS Ndoro - Chairman, K Mafukidze, J Mutizwa, C Mutunhu, R Pascoe)

The Advisory and Production Committee is a collection of professional individuals who bring unique knowledge and skills which augment the knowledge and skills of the formal Seed Co International Board of Directors in order to more effectively guide the organisation on production and operational matters pertaining specific to the Zimbabwe operations which was once a subsidiary Seed Co Zimbabwe (Private) Limited. The Committee is composed of external business and technical advisers who are not members of the Seed Co International Board but are Non-Executive Committee Members and one Non-Executive Director who is appointed as their Chairman). Executives and Senior Management of the Company attend the committee meetings by invitation.

M S Ndoro
Chairman

K Mafukidze

J Mutizwa

C Mutunhu

R Pascoe

Balance of Power

Seed Co Limited has a unitary Board, comprising a balance of power, with a majority of Non-Executive Directors, currently the majority of Non-Executive Directors are all independent.The Company's Group Executive Directors are involved in the day-to-day business activities of the company and are responsible for ensuring that the decisions of the Board are implemented in accordance with the mandates given by the Board. All Seed Co Limited subsidiaries have a functioning Board and the subsidiary Managing Directors run the day-to-day operations of their business reporting into the Group Chief Executive Officer. The Board has ensured that there is an appropriate balance of power and authority at Board level such that no one individual or block of individuals dominates the Board's decision making OR its Board or Committee meetings.

GOVERNANCE STATEMENT

The Non-Executive Directors are individuals of chosen of their calibre and credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources, standards of conduct and evaluation of performance.

Board Evaluation

In line with King IV Code of Corporate Governance which recommends that a formal evaluation process of the Board. The Group undertook its own formal Board Evaluation Exercise which was thoroughly participated and enjoyed by all Directors. The findings from the 2020 Board Evaluation reflected that the Board was meeting all of the requirements expected of a listed entity and as set out in King IV.

The main areas identified for further improvement related to:

- Simplifying the Group's governance structure and reporting without compromising on the high levels of governance and compliance
- Redesigning the subsidiary board structures to facilitate further effectiveness
- Realignment of the Group's strategy and performance against strategy.

The Board have since engaged on the ways in which these focus areas will be addressed and will continue to engage on additional steps to be implemented in order to further build on the Board effectiveness foundation.

Terrence Chimanya
FCIS/FCG, MSc, LLB (Hons) - Age 45

Company Secretary

Our Group Company Secretary, Terrence Chimanya – FCIS/FCG, MSc, LLB (Hons), continued to provide the Seed Co Group Boards and its committees with guidance and advice on governance, legal and compliance matters. While not a member of the Board, the Group Company Secretary is responsible for engaging with the Group Board Chairman and Committee Chairs on meeting agendas, ensuring compliance with Board and Committee procedures, terms of reference, and relevant legislation and regulations. The Board during the just ended year recently concluded its annual Board Evaluations and are satisfied that an arm's length relationship exists between it and the Group Company Secretary. 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.

Ethics Performance

Directors' Interests

The Seed Co Limited Board consists of ten (10) Directors, four (4) of whom are Independent Non-Executive Directors, two (2) Executive Directors and four (4) Non-Independent Executive Directors. The Group Chairman, David Long, oversees the Board's functioning whilst the Group CEO ,Morgan Nzwere leads the Executive Team and attends to the day-to-day operational functions of the business. Please refer to note of Directors' remuneration and benefits to the annual financial statements for further information on Directors' interests.

Meeting Attendance

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*
RCD Chitengu	4/4	4/4		
Dr D Garwe	4/4			
P Spadin	4/4			
P Gowero	4/4		4/4	
D Jacquemond	4/4	4/4		
J Matorofa**	4/4	4/4*		
F Ruwende (resigned)	2/4			
F Savin	4/4			

Attended on Invitation * Executive Director**

Directors' Declarations and Conflict of interest

Board members are obliged to disclose in writing any personal financial interest in terms of section Botswana Companies Act and any other interests they have within or outside the company and the Group that may be of interest to the company or that may interfere or conflict with the performance of their duties. The Board is in the process of updating its corporate governance manual which include a policy which details the manner in which a director's interest in a transaction must be determined and the interested director's involvement in the decision-making process, which will be rolled out in FY 2019 - 2020. Real or perceived conflicts in the Board will be managed in accordance with the pre-determined policy used to assess a director's interest in transactions. Any possible conflict of interest is declared in the manner prescribed by law and in terms of the company's memorandum of incorporation ("MOI"), as soon as a director becomes aware of the conflict, and in any event prior to the consideration of the matter to which the conflict relates, at any Board meeting. The director concerned does not participate in a discussion or vote on the subject matter and will leave the meeting immediately after making the requisite disclosure.

Code of Ethics

The Board is responsible for the strategic direction of the Company and sets the values that the company adheres to and is currently in the process of updating its Corporate Governance Manual to also include a code of ethics which will be adopted and applied throughout the company. The current Board's diversity of professional expertise and demographics makes it highly effective with regard to Seed Co's current strategies. The Board will ensure that, in appointing successive Board members, the Board will continue to reflect, whenever possible, a diverse set of professional and personal backgrounds.

Investor Relations and Communication with Stakeholders

Seed Co Limited is committed to transparent, inclusive, and objective communication with our stakeholders. Our Group Legal and Corporate Affairs Department is responsible for communication with institutional shareholders, the investing community whilst our Group PR manages all our media activities.

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 Limited Annual General Meeting is available on page 89 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

CORPORATE SOCIAL RESPONSIBILITY

CSR

CSR can be much more than a charitable deed – it can be a source of opportunity, innovation, and competitive advantage.”

As social awareness becomes an ever increasing issue for the general public, companies that embrace corporate social responsibility have shown massive gains in terms of trust, brand authority, and even revenue.

When consumers positively talk about your company, it also presents great opportunities for PR material that can be used for future promotion of your brand.

Donation of Seed Co branded bicycles to small scale farmers in Zimbabwe


Donation of face masks towards COVID-19 prevention in Zimbabwe

Donation of wash basin and sanitizers to farm supply shops in Zimbabwe

Seed Co Charity golf day in Lilongwe Zambia.


Group photo after presentation of a donation to Malawi College of Health Sciences by Rotary Club

Cyber Hygiene Zambia walk donation


Sponsorship of the young Sables uniforms and sports kit in Zimbabwe

Donation of Seed Co branded wear to local farmers in Malawi


Donation towards agriculture development for local farmers in Zambia


Agronomists offer small scale farmers advice on how to grow a succesful crop in Lusaka Zambia.


Donation presentation to the Kidney Foundation by Rotary Club of Bwaila.


Victor Luhanga, production manager addressing growers at a grower training session in Kasungu.

CORPORATE SOCIAL RESPONSIBILTY

INTRODUCTION

The world is in a very different place than when we reported just a quarter ago. As we face a global health crisis of truly historic proportions, at Seed Co we have all had to make significant changes to the way we live, the way we work and interact with our stakeholders. Crucially, businesses have had to adapt to operating under strict regulations and new health and safety protocols.

Significant work continues to be undertaken to address the impacts of the COVID-19 pandemic in our own operations and in the communities in which we operate across Africa. The devastating weather pattens in some parts of Southern Africa, the locusts invasion in East Africa, followed by the COVID-19 pandemic, have brought into sharp focus the complexities of operating in this rapidly changing world. Never has there been more emphasis on the importance of operating in an ethical and responsible manner.

At Seed Co we are pleased to report that we have continued with our corporate social responsibility work and believe that we have exceeded our target corporate social investment contributions as well as our impact in changing the societies we operate in. We will continue on our responsible journey, with an increased focus on those more challenging communities across Africa where further work and innovation is required. During the year, we also furthered our work to reframe a more realistic context-based CSR approach in line with the approved Group Corporate Social Responsibility. In 2020, Seed Co celebrated the 80th anniversary of the flagship contribution to the farming and agribusiness arena. As we head towards our 81st birthday we remain resolute that our work that we do as part of CSR will continue to be showcased as we change and touch the lives of the less fortunate members in our society at large.

ZIMBABWE

Our Seed Co Corporate Social Responsibility initiatives are largely driven by our Group CSR policy.

EDUCATION

We have continued to support education across Zimbabwe and this year three UZ students were added to the Seed Co bursary list. They are all enrolled at UZ doing their first year. The department continued to ensure that tuition was paid in time for the bursary beneficiaries. Covid-19 restrictions interrupted their learnings; however, the students resumed their classes in March 2021. In primary and secondary education, the Group has continued to support various students attending various levels and to date we have 20 students that are sponsored.

Beneficiary	Programme	Institution	CSR initiative
20 Students	Primary and Secondary levels	St Manocks Primary and Secondary schools	Tuition fees
John Nyama	Audit and Risk Management	University of Zimbabwe	Tuition fees
Monica Makelo	Accounting and Finance	University of Zimbabwe	Tuition fees
Shadreck Nyangera	Plant Production Science and Technology	University of Zimbabwe	Tuition fees

SOCIO ECONOMIC DEVELOPMENT

In compliance with the Group CSR policy, the Group has been engaged in initiatives aimed at eradication of poverty working to ensure beneficiaries become more self-reliant. We have worked closely with the Agronomy and Extension Services following up on all community-based organisations that received seed donations from the Group to ensure that they realised self-sufficiency models of living. Below are some of the Non-Governmental Organisations we have supported to become self-sufficient.

CORPORATE SOCIAL RESPONSIBILTY

CBO	Area	Seed allocation (kg)
Mashambanzou care trust	Harare	50
SOS Orphanage	Harare	50
Hope faith, life vision Murewa	Murewa	50
Shungu dzevana trust	Harare	50
Cancerserve	Harare	50
Island Hospice and Healthcare	Harare	50
Harare Children’s home	Harare	10
Rose of Sharon	Harare	10
Kambuzuma Children's Homes	Harare	10
Nyararai Children’s Trust	Harare	10
St Marnock High School	Harare	25
Roman Catholic Church	Harare	25
Methodist Church	Harare	25
Anglican Church	Harare	25
Reformed Dutch Church Zimbabwe	Harare	25
Celebration Widows Outreach Ministries	Harare	25
Covenant Care	Harare	25
Mutemwa Leprosy care centre	Mutoko	50
Mother of peace	Mutoko	50
Jairos Jiri home	Harare	50
Zimcare trust	Harare	100
Old People’s Home	Harare	25
Musasa Project	Harare	50

HEALTH INITIATIVES
The Group has continued to promote good health in communities by providing mealie meal which comes from reject seed within our factories:

Beneficiary	CSR initiative
Seed Co BFC Collaboration	30 tonne mealie meal donation – Covid 19 affected families
Growers	Face Masks distribution
St Manorcks Secondary	Face masks and Sanitizers donation
Albino community	160 Sunscreen lotions
	80 face masks
Kambuzuma Children’s Home	200 kgs per month
Rose of Sharon	200 kgs mealie meal per month
Nyararai Children’s trust	100kgs mealie meal per month
Harare Children’s home	400 kgs mealie meal per month
Mt Hampden Orphanage	200 kgs mealie meal per month
Rusape Hospital	$300 000 towards road accident victims

CORPORATE SOCIAL RESPONSIBILTY

As the provision of mealie meal is not sustainable as this is not part of our core business, we have initiated collaborative working approach with several other donors to assist the orphanages we used to supply mealie meal as below:

Orphanage	Donor	Items Donated
Harare Children's home	National Foods Zimbabwe	300 kgs mealie meal every month
Rose of Sharon	National Foods Zimbabwe	300 kgs mealie meal every month 10kgs salt every month
Kambuzuma Children's Home	National Foods Zimbabwe	Monthly food hamper
	Petsia Investments	200kgs mealie meal –January
Nyararai Children's trust	Petsia Investments	200kgs mealie meal – January

AGRICULTURAL INITIATIVES

The Group has continued working with the Ministry of Agriculture and Command Agriculture and this year also donated rain gauges to be distributed to various communities. The donations will help farming communities and continue developing our relationships with these critical stakeholders.

Institution	Donation
Ministry of Agriculture	2 500 Rain gauges

SPORTING SPONSORSHIP

The Group has continued with the sponsorship of the young Sables and had for the FY21-22 committed to sponsorship of uniforms as illustrated on the pictures below.

ZAMBIA

Seed Co Zambia supported the group led by Captain Thokozile Muwamba and Cyber Hygiene Zambia that walked from the Capital city Lusaka to Livingstone creating awareness about the dangers of cyber bullying, fake news, and internet abuse in Zambia. As a business, the Group saw it fit to support this cause as a player in the cyber space where the business is advertising products and would like to encourage a healthy working and social cyber environment as more and more business, schools and communities are beginning to operate in this space.

This also gave the SBU a chance to showcase its products by hosting the group at a demonstration plot along the way and providing them with maize cobs and refreshments, this was an opportunity to include the brand and its products in all the media coverage that this activity was drawing in the country.

STATEMENT ON CYBER HYGIENE ZAMBIA FACEBOOK PAGE

Cyber hygiene is a collective responsibility and Seed Co is on board. We received a very warm welcome from Seed Co who sponsored our stay in Choma, at their Makoli Zimba demo plot. We were received by Mr. Shamane Alex, Regional Manager South and West, Mr. Donald Njekwa and Mr. John Mufunza, Assistant Sales Agronomists. We got a tour of the plot and explanation on different seed varieties - for more information visit their website:www.seedcogroup.com/zm

MALAWI

Seed Co Malawi donated MK0.5m in December 2020 to the Kidney Foundation and MK0.6m to Malawi College of Health Sciences through Rotary Club of Bwaila. The handover ceremonies to the Kidney Foundation and Malawi College of Health Sciences were done in April 2021 and were extensively covered both in the print, television, and social media.

Seed Co Malawi Commercial department undertook a number of field days across the country in April and these events were well covered in print, television, and social media. Seed Co further donated MK0.6m to M'dapepuka Association based in Dowa as part of the costs of registration of the Association into a Cooperative with the Ministry of Trade; The Association has a membership of 102 farmers that buy Seed Co maize varieties every year.

As a cooperative, they can now access funding facilities from financial institutions guaranteed by Government and a guaranteed market for their produce to ADMARC;

BOTSWANA

- As a way of partnering with the country in the fight against Covid the SBU donated face masks towards communities affected by Covid 19 through the Ministry of Agriculture.
- The SBU further donated blankets to the Ministry of Agriculture during the period under review towards COVID-19 victims.

CORPORATE SOCIAL RESPONSIBILTY

KENYA

As the SBU continued to spearhead CSR activities within the country they are also getting requests and are usually responsive as and when approached.

TANZANIA

Throughout the COVID-19 pandemic, the SBU and its partners, customers and communities have been resilient and inspiring in the face of unprecedented challenges especially when the country leadership at some point completely denied the existence of covid-19.

The SBU activities in FY20 and FY21 to date were therefore guided by the Group CSR Policy, Business Continuity Policy and focused on ensuring the safety of its employees and stakeholders. Safety and health became paramount at all times in how the SBU conducted business.

This approach was established toward the beginning of the pandemic, and we continually provide updates on our pandemic-related effort. Ongoing long term strategic partnerships with Agro- dealers, has continued with Seed Co donating masks and sanitisers in the communities we operate in. This is both transformational and empowering to the Agro- dealers as the loyalty to Seed Co brand is immeasurable.

In the COVID-19 pandemic, the SBU noted that the risks to healthcare workers are appreciably greater than those encountered in normal practice. In addition to the risk of contracting the infection, other costs include physical and mental exhaustion, and considerable emotional pain. The widespread use of militaristic language in the coverage of the pandemic has further fostered the image of frontline staff acting heroically in the 'battle' against the virus.

The SBU has therefore

- Created partnerships with various stakeholders in the donation of masks and sanitisers to children's homes, hospitals, and clinics.
- Donated grain to elderly people's homes and other non-governmental agencies.

The SBU is further proposing that in Q1-Q2they are going to be pursuing the following initiatives current upon approval from Cluster Head.

- Donation of desks at Kiminini primary school-A school next to our Kitale factory
- In liaison with Kenya Red Cross-Donate maize grain to the under-Privileged

Conclusion

In Conclusion the Group continues to encourage all the SBUs to get involved in corporate Social Responsibility initiatives in the various communities that Seed Co is operating in across our African markets. The main intention of asking SBUs to engage in CSR is to improve the transparency of the Group's ' activities across Africa. The goal is twofold: on one hand, CSR initiatives by SBUs aim to enable the Group brand visibility as well as measure the impact of their activities on the environment, on society and on the economy (the famous triple-bottom-line). In this way, the Group can get accurate and insightful data which will help it improve its processes and have a more positive impact in society at large. Engaging in CSR initiatives allows the SBUs create a clear sustainable path in how we do business including to externally communicate with our stakeholders what are our goals regarding sustainable development and looking after the environment and communities we operate in. These initiatives will in turn help when decisions from stakeholders are crucial when it comes to investing in a business, buying our products, and writing positive (or negative) reviews.

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS

1.Your Directors have pleasure in presenting the Twenty–sixth Directors' Report of your Company along with the financial statements for the financial year ended 31st March, 2021.

2. SHARE CAPITAL

The authorised share capital of the company remained unchanged at 500 000 000 shares of no par value.

The issued and fully paid share capital increased during the year as follows:

Issued and fully paid at 31 March 2020	**247 169 845**
Add: Share option issues	-
Issued and fully paid at 31 March 2021	**247 169 845**

At 31 March 2021, 252 830 155 (2020: 252 830 155) unissued shares were under the control of the Directors of which a total of 13 787 207 (2020: 12 172 055) were committed to the share option scheme as shown below:

Total unissued shares	**252 830 155**
Already committed to unexercised options	6 669 312
Set aside for future options	7 117 895
Balance of uncommitted shares	**239 042 948**

Share Options

At 31 March 2021 options for a total of 6 669 312 (2020: 6 105 628) had not been exercised or forfeited and the movement in share options is as shown below:

Unexercised options at 31 March 2020	6 105 628
New options granted during the year	1 089 418
Options exercised during the year	-
Option forfeited during the year	(525 734)
Unexercised options at 31 March 2021	**6 669 312**

3. ACCOUNTING POLICIES:

Subject to the practical constraints to comply fully with IAS 21, the consolidated financial statements have been prepared to the extent practical in accordance with International Financial Reporting Standards (IFRS) and in compliance with provisions of the Companies and Other Business Entities Act (Chapter 24:31) and the relevant regulations there-under.

4. THE GROUP'S FULL YEAR RESULTS:

During the year under review, your Company recorded an inflation adjusted consolidated turnover of ZWL5.8bn compared with prior year of ZWL3.7bn and a profit of ZWL0.8bn compared with prior year loss of ZWL0.4bn.

For further information, kindly refer to Chief Executive's review of operations on page 6.

5. NUMBER OF MEETINGS OF THE BOARD

The Board met four times in financial year as illustrated in the Governance statement on page 21.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

i. In the preparation of the financial statements for year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to any material departures;

ii. The Directors have selected accounting policies as detailed in Note 2 to the financial statements in this annual report and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2021 and of the profit of the Group for that period.

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies and Other Business Entities Act (Chapter 24:31) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The Directors have prepared the financial statements for the year ended 31st March, 2021 on a 'going concern' basis.

v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.

vi. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

REPORT OF THE DIRECTORS

7. DIRECTORS DECLARATIONS AND CONFLICT OF INTEREST
The Directors of the Company have submitted the declaration of Independence and any conflict of interest as required by the Companies and Other Business Entities Act (Chapter 24:31) at every meeting.

8. DIVIDEND
No dividend was declared for the year ended 31 March 2021

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS
The details of Loans, Guarantees and Investments are given in the notes to the Financial Statements.

10. COMMITMENTS FOR CAPITAL EXPENDITURE
Group capital expenditure for the year to 31 March 2021 totalled ZWL0.4bn (2020: ZWL0.4bn) Capital expenditure for the year to 31 March 2022 is planned at US$3.8m (2020: US$3.9m).

11. BUSINESS RISK MANAGEMENT
The Group takes a proactive approach to risk management. The Board has considered all the COVID-19 induced risks on the business and took appropriate mitigation measures as shown on page 28 of the annual report. This is in addition to the major risks that the Board constantly manages on page 29 that may materially affect our business, financial condition or results of our operations.

The Audit and Risk Board Committee is mandated to have oversight of all the risks facing the Group and its terms of reference on Risk management are :
a) To lay down a framework for identification, measurement, analysis, evaluation, prioritization, mitigation & reporting of various risks in line with the Risk Management Policy of the Company.
b) To review the strategies, policies, frameworks, models and procedures that lead to the identification, measurement, reporting and mitigation of various risks.
c) To implement risk mitigation plans in the interest of the Company
d) To help the Board define the risk appetite of the organization and to ensure that the risk is not higher than the risk appetite determined by the Board.
e) To safeguard Company's properties, interests, and interest of all stakeholders.
f) To evolve the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects, which the business and operations of the Company are exposed to.
g) To optimize a balance between the cost of managing risk and the anticipated benefits.
h) To monitor the effectiveness of risk management functions throughout the organization. Ensure that infrastructure, resources and systems are in place for risk management and are adequate to maintain a satisfactory level of risk management discipline.
i) To create awareness among the employees to assess risks on a continuous basis and to ensure that risk awareness culture is pervasive throughout the organization.
j) To review issues raised by Internal Audit that impact the risk management framework.
k) To review and approve risk disclosure statements.
l) The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.
m) The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risks trend, exposure and potential impact analysis on a Company's business.

12. CORPORATE SOCIAL RESPONSIBILITY
The Board has a Corporate Social Responsibility (CSR) Policy to guide all the CSR activities across all the Group's operations.

13. ANNUAL EVALUATION OF PEFORMANCE OF THE BOARD
As detailed in the Governance Statement in this annual report, the Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The performance evaluation was carried out by the entire Board.

REPORT OF THE DIRECTORS

14. SUBSIDIARY COMPANIES
The performance of the various subsidiaries of the Group is detailed in the CEO's review of operations and that of the key geographical segments are included in note 28.1 of the annual report.

15. INTERNAL CONTROL SYSTEM
The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL
The details of key management that govern the various operations of the Group are detailed on page 81 of this annual report.

17. AUDITORS
Shareholders will be asked to approve audit fees amounting to 2021: ZWL 17,149,254 (2020: ZWL 16,926,561) and re-appoint Ernst & Young, Chartered Accountants (Zimbabwe) as auditors for the current year being their last audit. Shareholders are asked to note that the process to appoint new auditors for next year F22/23 is currently underway.

18. DIRECTORATE CHANGES
Mr. Fungai Ruwende retired from the Board during the last financial year.

Members will be asked to approve the payment of directors' fees in respect of the year ended 31 March 2021 amounting to 2021: ZWL10,502,657 (2020: ZWL17,962,489).

For and on behalf of the Board of Directors

Terrence. N. Chimanya
Company 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 and Other Business Entities Act (Chapter 24:31) 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 and Other Business Entities Act (Chapter 24:31) and Statutory instruments SI 33/19

These financial statements which have been prepared on current cost basis due to hyperinflation are in agreement with the underlying books and records. 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.

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.

J Matorofa
Group Chief Finance Officer
14 June 2021

Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P O Box 62 or 702
Harare
Zimbabwe

Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750707 or 2773842
Email: admin@zw.ey.com
www.ey.com

Independent Auditor's Report

To the Shareholders of Seed Co Limited

Report on the Audit of the Consolidated Inflation Adjusted Financial Statements

Adverse Opinion

We have audited the consolidated inflation adjusted financial statements of Seed Co Limited and its associates and joint venture (the Group), as set out on pages 47 to 78, which comprise the consolidated inflation adjusted statement of financial position as at 31 March 2021, and the consolidated inflation adjusted Income Statement and consolidated inflation adjusted Statement of Comprehensive Income, consolidated inflation adjusted statement of Changes in Equity and consolidated inflation adjusted statement of Cash Flows for the year then ended, and notes to the consolidated 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 inflation adjusted financial statements do not present fairly the financial position of the Group as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

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

Historical functional currency date of application

As explained in note 2.1 to the consolidated inflation adjusted financial statements, the Group changed its functional and reporting currency from United States Dollar (US$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019.

We believed that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

Management has not restated the opening balances to resolve this matter which resulted in the adverse audit report in the prior period in accordance with IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors. As a result, elements of the closing balances for the following accounts as stated on the Consolidated Statement of Financial Position remain misstated:

Consolidated inflation adjusted Statement of Financial Position
- ZWL$ 1 633 875 362 included in Investment in Associates, closing balance of ZWL$ 1 811 284 997
- ZWL$ 1 606 144 713 in Inventories closing balance
- ZWL$ 1 349 565 883 included in Share Premium, closing balance of ZWL$ 1 349 565 883
- ZWL $ 49 270 819 included in Share based payment reserve, closing balance of ZWL$ 51 638 610
- ZWL$ 2 404 420 977 included in Foreign currency translation reserve

ZWL$ 1 783 198 102 included in Asset revaluation reserve

Consolidated inflation adjusted Statement of Comprehensive Income

- Deferred tax movement stated as ZWL$ (338 551 962) as described in Note 7.1.
- Share of exchange differences stated as ZWL$ 1 204 784 323 as described in Note 10
- Cost of sales stated at ZWL$ (2 102 205 034) as stated in the inflation adjusted Income Statement
- Share of other comprehensive income stated at ZWL$ (34 220 281 as described in Note 10.2

Matter 2 : Exchange rates used in the current year

In the current year, the Group translated foreign denominated transactions and balances to ZWL using the interbank exchange rates for the period 1 April 2020 to 23 June 2020, this includes the period between March and June 2020 when the exchange rate was fixed at USD1: ZWL25. From 23 June 2020 to 31 March 2021, the Group used the exchange rates derived from the Foreign Exchange Auction Trading System. As in the prior year, we concluded that the exchange rates used did not meet the definition of a spot exchange rate as per IAS 21, as they were not available for immediate delivery.

The following amounts are impacted on the consolidated inflation adjusted Income Statement:

- Revenue stated at ZWL$ 4 773 600 704 of which approximately 1%, being ZWL$57 541 947, of the total amount in the current year consists of transactions denominated in USD$ which were translated at exchange rates obtained from the interbank and auction market
- Other Income stated at ZWL$ 907 128 178 of which approximately 39%, being ZWL$ 349 951 240, of the total amount in the current year consists of transactions denominated in USD$ which were translated at exchange rates obtained from the interbank and auction market
- Operating expenses stated at ZWL$ (1 437 660 613) in the current year consists of transactions denominated in USD$ which were translated at exchange rates obtained from the interbank and auction market
- Finance Expenses stated at ZWL$ 449 974 411

Consolidated inflation adjusted Statement of Financial Position

- Property, Plant and Equipment at ZWL$ 2,744,992,920 of which approximately 12%being ZWL$ 333 795 679 of the total amounts in current year balance denominated in USD$ which was translated at the exchange rate obtained from the auction market.
- Trade and other receivables at ZWL$ 2,845,751,268 of which approximately 2%being ZWL$ 56,446,786 of the total amounts in current year balance denominated in USD$ which was translated at the exchange rate obtained from the auction market.
- Cash and Cash Equivalents at ZWL$534,672,810 of which approximately 20%being ZWL$109,012,013 of the total amount in current year balance denominated in USD$ which was translated at the exchange rate obtained from the auction market.
- Inventory stated as ZWL$ 1 606 144 713 balance denominated in USD$ which was translated at the exchange rate obtained from the auction market.
- Amounts due to related parties ZWL$ 179 874 150 balance denominated in USD$ which was translated at the exchange rate obtained from the auction market.
- Loans and Borrowings at ZWL$ 1 060 998 241 of which approximately 99%being ZWL$1 055 001 250 of the total amount in current year balance denominated in USD$ which was translated at the exchange rate obtained from the auction market.

Consequently, Deferred tax liability, retained earnings and Income tax expenses are impacted as a result of the inappropriate use of the exchange rate.

The impact can however not be quantified due to the lack of records on appropriate rates for the period and impracticability given the volume of transactions. Our prior year audit report was modified due to this matter.

Matter 3: Valuation of Property, Plant and Equipment

The Group 's Property, Plant and Equipment are carried at ZWL$ 2 744 992 920 on the Statement of Financial Position as at 31 March 2021 and as described on Note 9. The market approach was applied for land and buildings and key inputs into the calculations include rentals per square metre and prime yield rates. Plant and Equipment were valued in terms of the cost approach. In both cases, the valuation was performed based on USD denominated inputs and converted to ZWL as the presentation currency using the closing weighted average auction rate.

We have concerns in applying a conversion rate to USD valuation inputs to calculate ZWL property, plant and equipment values as this may not be an accurate reflection of market dynamics as risks associated with currency trading do not reflect the risks associated with property trading.

There is no observable market evidence that the cashflows in the property market (whether it be rentals or sale of property), track the exchange rate. 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 on property, plant and equipment stated at ZWL 2 744 992 920, Asset revaluation reserve stated at ZWL 1 321 688 020 on the inflation adjusted consolidated Statement of Financial Position, and depreciation of ZWL 399 581 471 included in operating expenses stated at ZWL (1 437 660 613) and share of revaluation of PPE in OCI of ZWL 97 350 804 .Our prior year audit report was also modified due to this matter.

Matter 4: Inappropriate accounting for blocked funds

Included in total liabilities for Group of ZWL$ 279 054 419 as disclosed on Note 18 and Note 19 to the consolidated inflation adjusted financial statements for the year ended 31 March 2021 are foreign balances denominated in the Group's functional currency at a rate of 1:1 as a result of local balances amounting to ZWL8 565 495,62 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 Income Statement would have been materially different. Our prior year audit report was modified due to this matter.

Matter 5: Investment in local Associates and Joint venture - Equity Accounted Amounts not correct owing to underlying adverse opinions

The Group has one local associate and one joint venture whose functional currency is the ZWL and are equity accounted. The investment in associate and invest in joint venture as disclosed in Note 10.1 to the consolidated statement of financial position is stated respectively as ZWL 345 029 476 and ZWL 105 542 616. The share of profit or (loss) is stated as ZWL93 765 616 and ZWL (71 740 088) for the associate and joint venture respectively, while the share of revaluation gains/losses on PPE revaluation from joint venture is stated as ZWL45 801 047, as described in Note 10.

The statutory financial statements of the local investments are impacted by non-compliance with IAS21, inappropriate valuation of PPE, inappropriate accounting for legacy debts and consequential impact on IAS29 application as described on this report. Due to these matters, the equity accounted amounts are not reliable due to underlying investments containing errors. The impact can however not be quantified. Our prior year audit report was modified due to this matter.

Matter 6: Investment in foreign Associate - Equity Accounted Amounts translated at an inappropriate exchange rate

The Group has one foreign associate whose functional currency is the USD. The investment in foreign associate is stated as ZWL 4 242 691 310, the share of profit from associate at ZWL213 339 016 and share of exchange differences from translation of foreign associate at ZWL11 580 766, as described in Note 10.

The results of the associate were translated using interbank and auction exchange rates which, as discussed above, are not appropriate and as a result the amount included on the consolidated financial statements is not in compliance with IFRS. The impact can however not be quantified as an appropriate exchange rate has not been identified. Our prior year audit report was modified due to this matter.

Matter 7: Associate applying inconsistent accounting policies to the Group
In addition to Matter 5 above, Quton Seed, a local associate accounts for its Property, Plant and Equipment (PPE) on the cost model, which is not consistent with the Group accounting policies which require PPE to be revalued annually. The Group has not made any adjustments at consolidation as required by IAS28. This is a prior period error which has not been corrected in terms of IAS8 and is continuing in the current year. The impact can however not be quantified on the Share of profit, share of OCI and the Investment balance.

Matter 8: Foreign Currency translation exchange differences not recognized retrospectively for FY2019
As explained in note 2.5 to the consolidated inflation adjusted financial statements, a prior period error was corrected relating to exchange gains/losses recognised on the foreign associate as at 31 March 2020. However, relevant adjustments were not recorded on 1 April 2019 as required by IAS8, as a result, the restated statement of financial position as at that date has not been presented as required by IFRS. Consequently, the foreign currency translation reserve stated as ZWL 2 404 420 977 (2020: ZWL 1 331 207 739) may be materially misstated. The impact can however not be quantified as an appropriate exchange rate required to determine the misstatement for the period is not available.

Overall Consequential Impacts

Application of IAS29 - Financial Reporting in Hyperinflationary Economies
Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application 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 been used, the amounts stated in Matter 1 to 8 would have been materially different . Consequently, monetary (gains)/loss of ZWL1,856,241,885 is impacted.

Corresponding amounts and opening balances
As no restatements have been recorded in current year per IAS8 to correct the above matters, our audit report on the consolidated inflation adjusted financial statements for the year ended 31 March 2021 is further modified for the following reasons;

- All corresponding numbers remain misstated on the consolidated inflation adjusted Statement of Financial Position (except for Non-current financial assets, share capital and Short-term borrowings), consolidated inflation adjusted Statement of Cash Flows, consolidated inflation adjusted Income Statement, consolidated inflation adjusted Statement of Comprehensive Income and consolidated inflation adjusted Statement of Changes in Equity, this also impacts comparability of the current period’s figures,

- As opening balances enter into the determination of cash flows and performance, our audit report is modified in respect of the impact of these matters on the consolidated inflation adjusted Statement of Cash Flows, consolidated inflation adjusted Income Statement, consolidated inflation adjusted Statement of Comprehensive Income and consolidated inflation adjusted Statement of Changes in Equity.

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

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Inflation adjusted consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards)

(IESBA Code) and other independence requirements applicable to performing audits of consolidated financial statements of the Group in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Letter, The Chief Executive Officer's Business Review Report, Governance Statement, Corporate Social Investment Statement, the Directors' Report, Notice to Shareholders and Group Administration Statement but does not include the consolidated inflation adjusted financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated 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 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with several IFRS requirements . We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Consolidated Inflation Adjusted Financial Statements
The directors are responsible for the preparation and fair presentation of the consolidated inflation adjusted financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 inflation adjusted Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

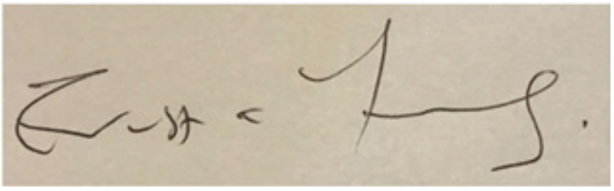
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated inflation adjusted financial statements. We are responsible for the direction, supervision and performance of the Group 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated 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.

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

12 August 2021

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
Revenue from contracts with customers	5	**5,848,673,627**	**3,665,240,486**	**4,773,600,704**	**536,934,153**
Cost of sales	11	(2,102,205,034)	(1,287,306,880)	(1,650,204,318)	(197,284,029)
Gross profit		**3,746,468,593**	**2,377,933,606**	**3,123,396,386**	**339,650,124**
Other income	6.1	907,128,178	745,424,246	812,380,878	156,491,065
Operating expenses	6.2	**(1,437,660,613)**	**(935,096,328)**	**(1,060,373,568)**	**(157,888,126)**
Sales and marketing costs		(165,932,644)	(132,956,889)	(143,293,997)	(21,745,400)
General and administrative costs		(920,711,038)	(509,459,106)	(593,692,538)	(77,784,632)
Research costs		(346,645,146)	(227,804,617)	(265,150,750)	(39,307,876)
Credit losses	12	(4,371,785)	(64,875,716)	(58,236,283)	(19,050,218)
Operating profit		**3,215,936,158**	**2,188,261,524**	**2,875,403,696**	**338,253,063**
Finance income	6.3	742,388	14,106,210	742,388	1,481,269
Finance costs	6.4	(449,974,411)	(118,912,066)	(435,402,155)	(29,686,958)
Monetary gain		(1,910,106,384)	(2,370,233,036)	-	-
Share of profit from associates and joint venture	10	235,364,544	322,029,921	448,566,739	71,461,409
Profit before tax		**1,091,962,295**	**35,252,553**	**2,889,310,668**	**381,508,783**
Income tax expense	7.1	(262,606,196)	(445,220,119)	(574,425,753)	(68,416,516)
Profit/(loss) for the year		**829,356,099**	**(409,967,566)**	**2,314,884,915**	**313,092,267**
Attributable to:					
Equity holders of the parent	8.1	829,356,099	(409,967,566)	2,314,884,915	313,092,267
Earnings per share - cents					
Basic, profit/(loss) for the year attributable to equity holders of the parent		335.53	(167.50)	936.54	127.92
Diluted, profit/(loss) for the year attributable to equity holders of the parent		328.13	(166.11)	915.88	126.86
Headline, profit/(loss) for the year attributable to equity holders of the parent		111.06	(176.83)	892.22	125.18

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Note	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	Restated 2020 ZWL
Profit for the year		829,356,099	(409,967,566)	2,314,884,915	313,092,267
Other comprehensive income/(loss)					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):					
Exchange differences on translation of foreign operation*	10.1	1,204,784,323	1,653,459,454	1,204,784,323	485,524,710
Share of other comprehensive loss from associate	10.2	(131,571,085)	(202,253,195)	(131,571,085)	(59,389,981)
Net other comprehensive profit that may be reclassified to profit or loss in subsequent periods		**1,073,213,238**	**1,451,206,259**	**1,073,213,238**	**426,134,729**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation of property, plant and equipment	9.1 & 9.2	-	2,276,063,120	1,518,029,548	866,486,464
Revaluation reversal	9.1 & 9.2	(742,376,310)	-	-	-
Deferred tax on revaluation of property, plant and equipment	7.4	183,515,424	(562,642,802)	(343,092,686)	(195,175,514)
Share of other comprehensive income from associate and joint venture	10.2	97,350,804	69,777,785	144,675,178	27,436,462
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		**(461,510,082)**	**1,783,198,103**	**1,319,612,040**	**698,747,412**
Other comprehensive income for the year, net of tax		**611,703,156**	**3,234,404,362**	**2,392,825,278**	**1,124,882,141**
Total comprehensive income for the year		**1,441,059,255**	**2,824,436,796**	**4,707,710,193**	**1,437,974,408**
Attributable to:					
Equity holders of the parent		1,441,059,255	2,824,436,796	4,707,710,193	1,437,974,408

*Details about restatement of comparatives are disclosed in note 2.5.

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2021	Restated 2020	2021	Restated 2020
	Note	ZWL	ZWL	ZWL	ZWL
ASSETS					
Non-current assets					
Property, plant & equipment (PPE)	9.3	2,744,992,920	3,510,896,570	2,744,992,920	1,030,945,776
Investment in associates & joint venture*	10	4,693,263,402	3,287,334,816	2,244,530,168	578,075,014
Non-current financial assets	12	1,682,213	17,417,980	1,681,807	5,114,538
		7,439,938,535	**6,815,649,366**	**4,991,204,895**	**1,614,135,328**
Current assets					
Inventories	11	1,606,144,713	2,152,232,308	778,593,643	151,294,156
Trade and other receivables	12	2,858,486,975	749,904,076	2,846,914,969	215,410,254
Amount due from related entities	13	483,561,459	32,290,386	483,561,459	9,481,805
Other current financial assets		422,000,500	-	422,000,500	-
Cash and cash equivalents	14	534,672,810	115,206,949	534,672,810	33,829,569
		5,904,866,457	**3,049,633,719**	**5,065,743,381**	**410,015,784**
Total assets		**13,344,804,992**	**9,865,283,085**	**10,056,948,276**	**2,024,151,112**
EQUITY AND LIABILITIES					
Equity					
Share capital		27,504,619	27,504,618	2,472,027	2,472,027
Share premium		1,349,565,883	1,349,565,883	53,484,674	53,484,674
Share based payments reserve	16	51,638,610	49,270,819	5,569,811	3,202,020
Asset revaluation reserve		1,321,688,020	1,783,198,102	2,059,347,797	739,735,757
Foreign currency translation reserve*		2,404,420,977	1,331,207,739	1,494,808,616	421,595,378
Retained earnings		4,283,998,496	3,454,642,398	2,729,420,125	414,535,210
Total equity		**9,438,816,605**	**7,995,389,559**	**6,345,103,050**	**1,635,025,066**
Non-current liabilities					
Long-term borrowings	17	1,060,998,241	23,629,863	1,060,998,241	6,938,714
Deferred tax liability	7.4	713,308,672	1,235,376,057	519,165,511	202,805,230
		1,774,306,913	**1,259,005,920**	**1,580,163,752**	**209,743,944**
Current liabilities					
Short-term borrowings	17	1,210,699,806	196,717,531	1,210,699,806	57,764,478
Trade and other payables	18	99,180,269	36,906,143	99,180,269	10,837,184
Amount due to related entities	19	179,874,150	33,042,012	179,874,150	9,702,514
Provisions	20	86,079,941	94,778,597	86,079,941	27,830,952
Income tax payable		555,847,308	249,443,323	555,847,308	73,246,974
		2,131,681,474	**610,887,606**	**2,131,681,474**	**179,382,102**
Total liabilities		**3,905,988,387**	**1,869,893,526**	**3,711,845,226**	**389,126,046**
Total equity and liabilities		**13,344,804,992**	**9,865,283,085**	**10,056,948,276**	**2,024,151,112**

*Details about restatement of comparatives are disclosed in note 2.5.

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

INFLATION ADJUSTED		**Share capital**	**Share premium**	**Share based payments reserve**	**Asset revaluation reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total equity**
					ZWL			
As at 1 April 2019		6,412,488	1,288,821,273	44,039,723	-	(119,998,520)	3,958,351,562	**5,177,626,526**
Loss for the year		-	-	-	-	-	(409,967,566)	**(409,967,566)**
Other comprehensive income		-	-	-	1,783,198,102	1,451,206,259	-	**3,234,404,361**
Total comprehensive income/(loss)		-	-	-	1,783,198,102	1,451,206,259	(409,967,566)	**2,824,436,795**
Exercise of share options		58,568	3,454,328	-	-	-	-	**3,512,896**
Capital redenomination		21,000,509	(21,000,509)	-	-	-	-	**-**
Share based payments	16.2	-	-	5,231,096	-	-	-	**5,231,096**
Dividend - scrip		33,054	78,290,791	-	-	-	(78,323,845)	**-**
Dividend - cash		-	-	-	-	-	(15,417,754)	**(15,417,754)**
As at 31 March 2020		**27,504,619**	**1,349,565,883**	**49,270,819**	**1,783,198,102**	**1,331,207,739**	**3,454,642,397**	**7,995,389,559**
Profit for the year							829,356,099	**829,356,099**
Other comprehensive (loss)/income					(461,510,082)	1,073,213,238		**611,703,156**
Total comprehensive (loss)/income		-	-	-	(461,510,082)	1,073,213,238	829,356,099	**1,441,059,255**
Share based payments	16.2			2,367,791				**2,367,791**
As at 31 March 2021		**27,504,619**	**1,349,565,883**	**51,638,610**	**1,321,688,020**	**2,404,420,977**	**4,283,998,496**	**9,438,816,605**

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

UNAUDITED HISTORICAL COST		**Share capital**	**Share premium**	**Share based payments reserve**	**Asset revaluation reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total equity**
					ZWL			
As at 1 April 2019		242,574	48,754,027	1,665,952	40,988,345	(4,539,350)	108,749,695	**195,861,243**
Profit for the year		-	-	-	-	-	313,092,267	**313,092,267**
Other comprehensive income		-	-	-	698,747,412	426,134,728	-	**1,124,882,140**
Total comprehensive income		-	-	-	698,747,412	426,134,728	313,092,267	**1,437,974,407**
Exercise of share options		17,198	1,014,335	-	-	-	-	**1,031,533**
Capital redenomination		2,209,753	(2,209,753)	-	-	-	-	**-**
Share based payments	16.2	-	-	1,536,068	-	-	-	**1,536,068**
Dividend - scrip		2,502	5,926,065	-	-	-	(5,928,567)	**-**
Dividend - cash		-	-	-	-	-	(1,378,185)	**(1,378,185)**
As at 31 March 2020		**2,472,027**	**53,484,674**	**3,202,020**	**739,735,757**	**421,595,378**	**414,535,210**	**1,635,025,066**
Profit for the year		-	-	-	-	-	2,314,884,915	**2,314,884,915**
Other comprehensive income		-	-	-	1,319,612,040	1,073,213,238	-	**2,392,825,278**
Total comprehensive income		-	-	-	1,319,612,040	1,073,213,238	2,314,884,915	**4,707,710,193**
Share based payments	16.2			2,367,791				**2,367,791**
As at 31 March 2021		**2,472,027**	**53,484,674**	**5,569,811**	**2,059,347,797**	**1,494,808,616**	**2,729,420,125**	**6,345,103,050**

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2021	Restated 2020	2021	2020
Operating activities	**Note**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Profit before tax		1,091,962,295	35,252,553	2,889,310,668	381,508,783
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of PPE	9.2	399,581,471	95,116,202	120,093,417	4,859,270
Loss/(Profit) on disposal of PPE	6.1	8,883,384	(6,070,244)	1,013,990	(1,385,087)
Share based payment expense	16.2	2,367,791	5,231,096	2,367,791	1,536,068
Dividend income	6.1	(2,374,152)	-	(1,597,330)	-
Finance income	6.3	(742,388)	(14,106,210)	(742,388)	(1,481,269)
Finance costs	6.4	449,974,411	118,912,066	435,402,155	29,686,958
Share of profit from associates anc	10.1	(235,364,544)	(322,029,921)	(448,566,739)	(71,461,409)
Operating cash flows before working capital changes		**1,714,288,268**	**(87,694,458)**	**2,997,281,564**	**343,263,314**
Working capital changes:					
Decrease/(Increase) in inventories		546,087,595	(1,558,821,901)	(627,299,487)	(128,846,399)
(Increase) in trade and other receivables		(2,108,582,899)	(124,760,714)	(2,631,504,715)	(191,762,091)
(Increase)/Decrease in related party receivables		(451,271,073)	210,928,845	(474,079,654)	(281,215)
(Increase)/Decrease in other current financial assets		(422,000,500)	396,527,647	(422,000,500)	15,000,000
Increase in trade and other payables		62,274,126	2,591,052	88,343,085	9,539,100
Increase/(decrease) in related party payables		146,832,138	(469,803,824)	170,171,636	(9,319,331)
(Decrease)/Increase in provisions		(8,698,656)	2,536,550	58,248,989	24,341,585
Cash generated from operations		(521,071,001)	(1,628,496,803)	(840,839,082)	61,934,963
Income tax paid		(294,754,172)	(68,408,681)	(118,557,824)	(8,170,119)
Net cash flows from operating activities		**(815,825,173)**	**(1,696,905,484)**	**(959,396,906)**	**53,764,844**
Investing activities					
Proceeds from disposal of PPE		10,540,978	6,730,950	9,703,353	1,726,007
Purchase of PPE	9.1	(395,478,491)	(670,277,253)	(326,828,356)	(87,182,571)
Decrease/(Increase) in other non-current financial assets		15,735,767	446,382,750	3,432,732	12,430,301
Dividends received	6.1	2,374,152	71,731,669	1,597,330	4,307,404
Interest received	6.3	742,388	14,106,210	742,388	1,481,269
Net cash flows from investing activities		**(366,085,206)**	**(131,325,674)**	**(311,352,553)**	**(67,237,590)**
Financing activities					
Proceeds from exercise of share options		-	3,512,896		1,031,533
Proceeds from borrowings	17.2	2,899,078,641	489,591,427	2,899,078,641	143,764,478
Repayment of borrowings	17.2	(692,083,786)	(269,244,033)	(692,083,786)	(79,061,286)
Dividend paid		-	(15,417,750)	-	(1,378,185)
Interest paid	6.4	(449,974,411)	(118,912,066)	(435,402,155)	(29,686,958)
Net cash flows generated from financing activities		**1,757,020,444**	**89,530,474**	**1,771,592,700**	**34,669,582**
Net cash flows during the year		575,110,065	(1,738,700,684)	500,843,241	21,196,836
Effects of monetary (losses)/gains		(155,644,204)	1,519,959,110	-	-
Opening cash and cash equivalent	14.1	115,206,949	333,948,523	33,829,569	12,632,733
Closing cash and cash equivalents	14.1	**534,672,810**	**115,206,949**	**534,672,810**	**33,829,569**

NOTES TO THE GROUP 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 inflation adjusted financial statements of Seed Co Limited for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 10 June 2021.

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 and Other Business Entities Act 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. 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.

The Group's presentation currency
The inflation adjusted financial statements are 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.

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)
These financial statements have been prepared in accordance with IAS 29. 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 2021	2,759.83	1.00
31 March 2020	810.40	3.41

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 2020 were restated by applying the change in the index from 31 March 2020 to 31 March 2021.
- At 31 March 2021; 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 2021.
- 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 2021;
- 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-adjusted IFRS balance sheet (i.e. expressed in the measuring unit current at the balance sheet date).
- Current tax expense was not restated as it is assumed to have been incurred at year end.
- 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS

IAS 29 discourages publication of historical financial statements as a supplement to inflation adjusted accounts. However, historical financial statements have been published to meet other stakeholder requirements. 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 2021. 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.

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS

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.

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 Auction rate on the date of valuation, to calculate ZWL property values which were then included in the 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 9.

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

NOTES TO THE GROUP FINANCIAL STATEMENTS

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.

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS

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
- 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 incurred 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS

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:

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

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.

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.

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)

NOTES TO THE GROUP FINANCIAL STATEMENTS

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 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 note 12.

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

NOTES TO THE GROUP FINANCIAL STATEMENTS

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.

Inventory cost is expensed through profit and loss in cost of sales as it is sold.

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.

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 9.

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,

NOTES TO THE GROUP FINANCIAL STATEMENTS

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.

2.4 Changes in accounting policies and disclosures

The Group applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business
The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material
The amendments provide a new definition of material that states, "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 clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to, the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This

NOTES TO THE GROUP FINANCIAL STATEMENTS

will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

2.5 Correction of a prior period error

On 1 April 2020, the Group changed its presentation currency from US$ to ZWL. However, its foreign associate continued reporting in US$. The Group did not account for exchange differences which arise on translation of operations relating to this associate in prior year. As a consequence, total assets and equity were understated.

The error has been corrected by restating each of the affected financial statement line items for the prior period (year ended 31 March 2020), as follows (all amounts are denominated in ZWL):

Inflation adjusted	
Increase in assets (Investments in associates and joint ventures)	1,653,459,454
Increase in equity (Foreign currency translation reserve)	1,653,459,454
Historical cost	
Increase in assets (Investments in associates and joint ventures)	485,524,710
Increase in equity (Foreign currency translation reserve)	485,524,710

The increase in the foreign currency translation reserve was accounted for through other comprehensive income.

The correction did not have any impact on profit or loss; basic, diluted and headline earnings per share; or on the Group's operating, investing and financing cash flows.

2.6 Standards and interpretations in issue not yet effective

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

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 IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments
clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact
the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued *Amendments to* IFRS 3 *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to the *Framework for the Preparation and Presentation of Financial Statements*, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 *Levies*, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments are not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The amendment is not applicable to the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements
As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have a material impact on the Group.

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS

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 9 for more information on the estimates and assumptions used to determine the fair value of property, plant and equipment and note 9 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.

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/auction rate for the period.

Restatement of historical cost financial statements in preparation of inflation-adjusted financial statements
The Consumer Price Indices (CPI) used to restate the historical numbers were sourced from the Zimbabwe Statistical Office (ZIMSTATS) through the Reserve Bank of Zimbabwe (RBZ) website. Management deems these rates highly subjective on the basis of comparative prices being denominated in a different currency (US$) to the current ones which are denominated in ZWL$. This results in a blanket comparison of dissimilar items. In addition, actual price increases on the ground seem to be much higher than suggested by the CPI. Since there are no alternative creditable rates available, Management settled for the CPI rate.

NOTES TO THE GROUP 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 (2020: 29.17%).

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

			% of equity interest	
Name	**Principal**	**Country of**	**2021**	**2020**
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
Vilmorin & Cie	Shareholder with significant	France
Mahyco	Co-shareholder in associate	India
HM Clause	Joint venture partner	France
Seed Co International Limited and its subsidiaries	Associate	Zambia, Malawi, Tanzania,
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, 19 and 21.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	UNAUDITED HISTORICAL COST 2020 ZWL
5.1 Product					
Maize seed		4,185,195,284	2,495,386,977	3,552,391,887	366,445,098
Soybean seed		878,199,437	795,306,279	761,905,263	118,060,321
Wheat seed		635,335,120	172,260,862	323,038,762	26,703,761
Other seeds		149,943,786	202,286,368	136,264,792	25,724,973
		5,848,673,627	**3,665,240,486**	**4,773,600,704**	**536,934,153**
5.2 Geographical markets					
Zimbabwe		5,848,673,627	3,665,240,486	4,773,600,704	536,934,153
		5,848,673,627	**3,665,240,486**	**4,773,600,704**	**536,934,153**
5.3 Timing of revenue recognition					
Goods transferred at a point in time		5,848,673,627	3,665,240,486	4,773,600,704	536,934,153
Services transferred over time		-	-	-	-
		5,848,673,627	**3,665,240,486**	**4,773,600,704**	**536,934,153**
6 INCOME AND EXPENSES					
6.1 Other income					
Dividends received	21	2,374,152	-	1,597,330	-
Royalty income	21	244,382,953	233,657,678	198,747,002	40,538,955
(Loss)/Profit on disposal of property, plant and equipment		(8,883,384)	6,070,244	(1,013,990)	1,385,087
Profit from non-seed/commodity sales		554,837,968	378,424,751	109,543,134	90,718,488
Net exchange gains		103,194,135	124,911,217	493,252,114	23,155,436
Sundry income	6.1.1	11,222,354	2,360,356	10,255,288	693,099
		907,128,178	**745,424,246**	**812,380,878**	**156,491,065**

6.1.1 Included in sundry income are doubtful debts recoveries, export incentives, brokerage fees, transport recoveries and insurance claims compensation.

NOTES TO THE GROUP FINANCIAL STATEMENTS

		Note	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
6.2	**Operating expenses**					
	Included in operating expenses are					
	Employee benefits		366,962,465	354,958,738	322,799,719	53,801,570
6.2.1	Short-term employee benefits		349,122,750	338,787,886	306,889,711	50,630,596
6.2.2	Post-employment benefits		15,472,424	10,939,756	13,542,217	1,634,906
6.2.3	Other long-term employee benefits		2,367,291	5,231,096	2,367,791	1,536,068
6.2.4	Termination benefits		-	-	-	-
	Directors' fees	21.1.1	10,502,657	17,962,489	7,066,191	2,546,244
	Depreciation	9.2	399,581,471	95,116,202	120,093,417	4,859,270
	Audit fees		17,149,254	16,926,561	13,069,992	2,633,013

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 setl 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 (note 16).

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

		INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
6.3	**Finance income**				
	Interest income from financial assets	742,388	14,106,210	742,388	1,481,269
		742,388	**14,106,210**	**742,388**	**1,481,269**

All interest is recognised on an EIR basis

6.4	**Finance cost**				
	Interest expense on financial liabilities	449,974,411	118,912,066	435,402,155	29,686,958
		449,974,411	**118,912,066**	**435,402,155**	**29,686,958**

		Note	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
7	**INCOME TAX**					
7.1	**The major components of income tax expense are:**					
	Current income tax		601,158,158	271,265,176	601,158,158	79,654,778
	Deferred tax	7.3	(338,551,962)	173,954,943	(26,732,405)	(11,238,262)
		7.2	**262,606,196**	**445,220,119**	**574,425,753**	**68,416,516**
7.2	**Reconciliation of tax expense and the accounting profit**					
	Accounting profit before income tax		1,091,962,295	35,252,553	2,889,310,668	381,508,783
	Share of profit from associates and joint ventures already taxed		(235,364,544)	(322,029,921)	(448,566,739)	(71,461,409)
	Accounting profit for tax calculation purposes		856,597,751	(286,777,368)	2,440,743,929	310,047,374
	Tax at statutory income tax rate of 24.72% (2020: 24.72%)		211,750,964	(70,891,365)	603,351,899	76,643,711
	Effect of different tax rate used		-	25,133,748	-	3,237,854
	Effect of income that is not taxable	7.2.1	(51,289,858)	(99,825,169)	(34,507,830)	(11,795,183)
	Effect of expenses that are not deductible	7.2.2	8,296,197	4,812,504	5,581,684	330,134
	Inflation restatement		93,848,893	585,990,401	-	-
	Tax at effective income tax rate		**262,606,196**	**445,220,119**	**574,425,753**	**68,416,516**

7.2.1 Income that is not taxable includes unrealised exchange gains while
7.2.2 Non-dedutible expenses include donations, depreciation and legal fees.

		Note	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
7.3	**Deferred tax expense/(income) relates to the following:**					
	Accelerated depreciation for tax purposes		(695,913,704)	(374,438,441)	(29,296,022)	12,313,868
	Prepayments		-	7,621,498	-	(6,898,723)
	Provisions		(22,945,973)	8,684,307	(22,945,973)	(16,653,407)
	Investments in associates and joint venture		150,227,501	136,019,863	-	-
	Inventories		204,570,624	404,666,024	-	-
	Share based payments		-	(8,598,308)	-	-
	Unrealised profit in unrealised exchange gain		25,509,590	-	25,509,590	
			(338,551,962)	**173,954,943**	**(26,732,405)**	**(11,238,262)**
7.4	**Deferred tax liability relates to the following:**					
	Revaluation		379,127,378	562,642,802	538,268,200	195,175,514
	Accelerated depreciation for tax purposes		(23,180,449)	151,506,190	(21,666,306)	14,528,439
	Prepayments		-	4,034,852	-	-
	Provisions		(22,945,973)	(23,493,673)	(22,945,973)	(6,898,723)
	Investments in associates and joint venture		150,227,501	136,019,863	-	-
	Inventories		204,570,624	404,666,023	-	-
	Unrealised exchange gains		25,509,590	-	25,509,590	-
		7.5	**713,308,671**	**1,235,376,057**	**519,165,511**	**202,805,230**
7.5	**Deferred tax liability reconciliation**					
	Balance at the beginning of the year		1,235,376,057	498,778,312	202,805,230	18,867,977
	Tax expense/(income) recognised in profit or loss		(338,551,962)	173,954,943	(26,732,405)	(11,238,261)
	Tax expense recognised in other comprehensive income		(183,515,424)	562,642,802	343,092,686	195,175,514
	Balance at the end of the year		**713,308,671**	**1,235,376,057**	**519,165,511**	**202,805,230**

NOTES TO THE GROUP FINANCIAL STATEMENTS

8 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.

	Note	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	UNAUDITED HISTORICAL COST 2020 ZWL
8.1 The following table reflects the income and share data used in the basic and diluted EPS computations:					
Profit attributable to ordinary equity holders of the parent for basic earnings		**829,356,099**	**(409,967,566)**	**2,314,884,915**	**313,092,267**
Effect of dilution					
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution		**829,356,099**	**(409,967,566)**	**2,314,884,915**	**313,092,267**
Non-recurring and non-operational items		**(554,837,968)**	(22,834,244)	**(109,543,134)**	(6,705,087)
Headline earnings		**274,518,131**	**(432,801,810)**	**2,205,341,781**	**306,387,180**
Weighted average number of ordinary shares for basic earnings per share	8.2			**247,174,248**	**244,752,045**
Equity settled share appreciation rights with dilutive impact				5,576,264	2,053,767
Weighted average number of ordinary shares adjusted for the effect of dilution				**252,750,512**	**246,805,812**

8.2 Reconciliation on how the weighted average number of ordinary shares for basic earnings per share is derived is shown below:	Date	Number of shares	Number of days	Weighting
Balance at	**31-Mar-19**	242,612,640	366	242,612,640
Share appreciation rights issues during the year	2-Jul-19	228,000	273	170,066
Share appreciation rights issues during the year	5-Jul-19	99,250	270	73,217
Share appreciation rights issues during the year	9-Jul-19	22,500	266	16,352
Share appreciation rights issues during the year	19-Jul-19	64,200	256	44,905
Scrip issues during the year	7-Aug-19	2,501,505	237	1,619,827
Share appreciation rights issues during the year	13-Feb-20	1,674,550	47	215,038
Balance at	**31-Mar-20**	**247,202,645**	**366**	**244,752,045**
Cancellations during the year	19-May-20	(32,800)	316	(28,397)
Balance at	**31-Mar-21**	**247,169,845**	**365**	**247,174,248**

9 PROPERTY, PLANT AND EQUIPMENT (PPE)

	INFLATION ADJUSTED	Note	Land and buildings	Plant and machinery	Motor vehicles	Computers and office equipment	Capital work-in-progress	Total
					ZWL			
9.1	**Cost or valuation**							
	At 1 April 2019		1,700,363,815	246,511,535	282,097,304	55,529,401	53,420,352	2,337,922,407
	Revaluation		57,915,867	154,205,387	1,761,479,735	72,839,546	-	2,046,440,535
	Additions		-	7,174,842	18,932,074	16,931,367	627,238,970	670,277,253
	Disposals		-	-	(1,543,743,625)	-	-	(1,543,743,625)
	At 31 March 2020		**1,758,279,682**	**407,891,764**	**518,765,488**	**145,300,314**	**680,659,322**	**3,510,896,570**
	Additions		-	-	35,035,517	57,344,443	303,098,531	395,478,491
	Disposals		-	-	(93,785,347)	-	-	(93,785,347)
	Revaluation reversal		(705,084,688)	(37,756,562)	(262,489,461)	(62,266,083)	-	(1,067,596,794)
	At 31 March 2021		**1,053,194,994**	**370,135,202**	**197,526,197**	**140,378,674**	**983,757,853**	**2,744,992,920**
9.2	**Depreciation and impairment**							
	At 1 April 2019		19,969,079	63,057,756	60,498,010	14,105,369	-	157,630,214
	Depreciation charge for the year		27,270,800	12,611,480	46,565,400	8,668,522	-	95,116,202
	Disposals		-	-	(23,123,831)	-	-	(23,123,831)
	Revaluation adjustment		(47,239,879)	(75,669,236)	(83,939,579)	(22,773,891)	-	(229,622,585)
	At 31 March 2020		**-**	**-**	**-**	**-**	**-**	**-**
	Depreciation charge for the year		-	18,980,057	325,932,577	54,668,837	-	399,581,471
	Disposals		-	-	(74,360,987)	-	-	(74,360,987)
	Revaluation adjustment		-	(18,980,057)	(251,571,590)	(54,668,837)	-	(325,220,484)
	At 31 March 2021		**-**	**-**	**-**	**-**	**-**	**-**
9.3	**Net carrying amount**							
	At 31 March 2021		**1,053,194,994**	**370,135,202**	**197,526,197**	**140,378,674**	**983,757,853**	**2,744,992,920**
	At 31 March 2020		**1,758,279,682**	**407,891,764**	**518,765,488**	**145,300,314**	**680,659,322**	**3,510,896,570**

NOTES TO THE GROUP FINANCIAL STATEMENTS

	UNAUDITED HISTORICAL COST	Note	Land and buildings	Plant and machinery	Motor vehicles	Computers and office equipment	Capital work-in-progress	Total
					ZWL			
9.1	**Cost or valuation**							
	At 1 April 2019		64,322,015	9,325,133	10,671,285	2,100,588	2,020,808	88,439,829
	Revaluation		571,817,949	108,494,089	136,986,837	39,002,095	-	856,300,970
	Additions		-	1,954,825	5,650,673	1,563,554	78,013,519	87,182,571
	Disposals		-	-	(977,594)	-	-	(977,594)
	At 31 March 2020		**636,139,964**	**119,774,047**	**152,331,201**	**42,666,237**	**80,034,327**	**1,030,945,776**
	Additions		-	1,479,600	63,907,728	4,664,990	256,776,038	326,828,356
	Revaluation		1,360,768,472	30,007,760	10,612,510	8,254,193	-	1,409,642,935
	Disposals		-	(694,216)	(17,499,575)	(4,230,356)	-	(22,424,147)
	At 31 March 2021		**1,996,908,436**	**150,567,191**	**209,351,864**	**51,355,064**	**336,810,365**	**2,744,992,920**
9.2	**Depreciation and impairment**							
	At 1 April 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
	Disposals		-	-	(636,675)	-	-	(636,675)
	Revaluation		(1,424,974)	(3,716,069)	(3,923,860)	(1,120,591)	-	(10,185,494)
	At 31 March 2020		**-**	**-**	**-**	**-**	**-**	**-**
	Depreciation charge for the year		5,573,338	39,705,950	58,487,504	16,326,625	-	120,093,417
	Disposals		-	(203,803)	(9,904,847)	(1,598,154)	-	(11,706,804)
	Revaluation		(5,573,338)	(39,502,147)	(48,582,657)	(14,728,471)	-	(108,386,613)
	At 31 March 2021		**-**	**-**	**-**	**-**	**-**	**-**
9.3	**Net carrying amount**							
	At 31 March 2021		**1,996,908,436**	**150,567,191**	**209,351,864**	**51,355,064**	**336,810,365**	**2,744,992,920**
	At 31 March 2020		**636,139,964**	**119,774,047**	**152,331,201**	**42,666,237**	**80,034,327**	**1,030,945,776**

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2021 ZWL	Restated 2020 ZWL	2021 ZWL	2020 ZWL
9.4	Had the assets been measured using the cost model, the carrying amount would have been:	1,211,491,139	1,235,018,479	360,476,908	164,459,312
9.5	Borrowing costs capitalised during the year:	23,715,536	10,882,353	23,715,536	2,771,809
	This relates to the seed drying equipment installation . The capitalisation rate was 45% (2020: 4.28%)				
9.6	Property plant and equipment pledged as security for liabilities	-	-	-	-

9.7 Description of significant unobservable inputs to valuation

Asset class	Valuation technique	Significant unobservable inputs	Range	Sensitivity
Land and buildings	Market approach	Price per square metre	US$300 - US$1,500	Increase/(decrease) in price per square metre results in an increase/(decrease) in fair value
		Rental per square metre	US$1 - US$25	Increase/(decrease) in rental per square metre results in an increase/(decrease) in fair value
		Prime yield	8% - 14%	Increase/(decrease) in prime yield results in a (decrease)/increase in fair value
Plant and machinery	Cost approach	Adjustments for obsolescence		
		Cost of replacing the asset		Increase/(decrease) in cost of replacing the asset results in an increase/(decrease) in fair value
		Estimated remaining life	5 - 20 years	
Motor vehicles	Cost approach	Adjustments for obsolescence		
		Cost of replacing the asset		Increase/(decrease) in cost of replacing the asset results in an increase/(decrease) in fair value
		Estimated remaining life	1 - 5 years	

NOTES TO THE GROUP FINANCIAL STATEMENTS

-
-

9.8 Fair value measurement hierarchy

INFLATION ADJUSTED	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Land and buildings				
At 31 March 2021			1,053,194,994	**1,053,194,994**
At 31 March 2020			1,758,279,682	**1,758,279,682**
Plant and machinery				
At 31 March 2021			370,135,202	**370,135,202**
At 31 March 2020			407,891,764	**407,891,764**
Motor vehicles				
At 31 March 2021			197,526,197	**197,526,197**
At 31 March 2020			518,765,488	**518,765,488**
Computer and office equipment				
At 31 March 2021			140,378,674	**140,378,674**
At 31 March 2020			145,300,314	**145,300,314**

UNAUDITED HISTORICAL COST	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Land and buildings				
At 31 March 2021			1,996,908,436	**1,996,908,436**
At 31 March 2020			636,139,964	**636,139,964**
Plant and machinery				
At 31 March 2021			150,567,191	**150,567,191**
At 31 March 2020			119,774,047	**119,774,047**
Motor vehicles				
At 31 March 2021			209,351,864	**209,351,864**
At 31 March 2020			152,331,201	**152,331,201**
Computer and office equipment				
At 31 March 2021			51,355,064	**51,355,064**
At 31 March 2020			42,666,237	**42,666,237**

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

		INFLATION ADJUSTED				UNAUDITED HISTORICAL COST			
		ASSOCIATES		JOINT VENTURE		ASSOCIATES		JOINT VENTURE	
	Note	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	Total	Seed Co International	Quton Zimbabwe	Prime Seed Co Zimbabwe	Total
			ZWL				ZWL		
At 1 April 2019		1,311,938,235	121,598,415	82,515,899	1,516,052,549	49,628,503	4,599,872	3,121,443	57,349,818
Share of profit/(loss)	10	75,267,236	161,011,931	85,750,754	322,029,921	22,101,602	40,061,666	9,298,141	71,461,409
Share of OC income/(loss)	10	(187,292,508)	-	54,817,098	(132,475,410)	(54,996,899)	-	23,043,380	(31,953,519)
Exchange differences		1,653,459,454			1,653,459,454	485,524,710			485,524,710
Dividend		(40,385,212)	(31,346,486)	-	(71,731,698)	(3,056,876)	(1,250,528)	-	(4,307,404)
At 31 March 2020		**2,812,987,205**	**251,263,860**	**223,083,751**	**3,287,334,816**	**499,201,040**	**43,411,010**	**35,462,964**	**578,075,014**
Share of profit/(loss)	10	213,339,016	93,765,616	(71,740,088)	235,364,544	213,339,016	239,452,182	(4,224,459)	448,566,739
Share of OC income/(loss)	10	11,580,766	-	(45,801,047)	(34,220,281)	11,580,766	-	1,523,326	13,104,092
Exchange differences		1,204,784,323			1,204,784,323	1,204,784,323			1,204,784,323
At 31 March 2021		**4,242,691,310**	**345,029,476**	**105,542,616**	**4,693,263,402**	**1,928,905,145**	**282,863,192**	**32,761,831**	**2,244,530,168**

Summarised income statements:

	ASSOCIATES				JOINT VENTURES		GROUP	
	Seed Co International		Quton Zimbabwe		Prime Seed Co Zimbabwe			
Group's equity interest	**27%**	**27%**	**40%**	**40%**	**51%**	**51%**		
	2021	**Restated 2020**	**2021**	**Restated 2020**	**2021**	**Restated 2020**	**2021**	**Restated 2020**
INFLATION ADJUSTED				ZWL				
Revenue	**6,232,821,936**	**3,235,456,477**	**1,435,188,848**	**1,599,603,021**	**455,749,442**	**403,552,091**		
Cost of sales	(3,151,888,714)	(1,654,426,640)	(593,931,156)	(643,044,843)	**(388,547,166)**	(157,732,307)		
Net operating (expenses)/income	(1,806,647,909)	(1,023,898,397)	102,007,060	(102,388,554)	(262,574,082)	(94,553,595)		
Net finance cost	(175,028,530)	(129,040,167)	(2,461,463)	657,441	(10,537,395)	(2,649,109)		
Monetary (loss)/gain	-	-	(520,180,374)	(229,078,506)	43,566,906	69,458,593		
Share of loss from JVs	(22,221,851)	(22,486,834)	-	-	-	-		
Income tax (expense)/income	(280,101,902)	(130,329,081)	(186,208,874)	(223,218,730)	21,675,455	(49,936,937)		
Loss from discontinued operations	(15,383,264)	-	-	-	-	-		
Profit/(loss) for the year	**781,549,766**	**275,275,358**	**234,414,041**	**402,529,829**	**(140,666,840)**	**168,138,736**		
Share of FCTR loss	(481,999,741)	(739,701,935)	-	-	-			
Share of revaluation gain/(loss)	524,424,917	54,715,819	-	-	(89,805,975)	107,484,505		
Total comprehensive income/(lc	**823,974,942**	**(409,710,758)**	**234,414,041**	**402,529,829**	**(230,472,815)**	**275,623,241**		
Share of profit/(loss)	213,339,016	75,267,236	93,765,616	161,011,931	(71,740,088)	85,750,754	**235,364,544**	**322,029,921**
Share of OC (loss)/income	11,580,766	(187,292,508)	-	-	(45,801,047)	54,817,098	**(34,220,281)**	**(132,475,410)**

NOTES TO THE GROUP FINANCIAL STATEMENTS

	ASSOCIATES				JOINT VENTURES		GROUP	
	Seed Co International		Quton Zimbabwe		Prime Seed Co Zimbabwe			
	27.30%	27.34%	40.00%	40.00%	51.00%	51.00%		
	2021	2020	2021	2020	2021	2020	2021	2020
UNAUDITED HISTORICAL COST					ZWL			
Revenue	**6,232,821,936**	**950,065,067**	**1,210,616,997**	**256,401,653**	**372,496,299**	**59,852,372**		
Cost of sales	(3,151,888,714)	(485,808,716)	(496,803,366)	(96,422,564)	(143,169,799)	(26,418,000)		
Other income/(expense)	135,072,118	80,248,112	192,134,620	(4,105,115)	3,851,497	5,636,013		
Operating expenses	(1,941,720,027)	(380,907,418)	(110,926,538)	(19,236,412)	(230,235,279)	(15,907,232)		
Finance income	30,049,508	7,597,501	16,978	59,014	27,222	4,269		
Finance cost	(205,078,038)	(45,489,081)	(2,479,608)	(2,230)	(8,032,927)	(328,004)		
Share of loss from JVs	(22,221,851)	(6,603,073)	-	-	-	-		
Income tax expense	(280,101,902)	(38,270,058)	(193,928,628)	(36,540,180)	(3,220,266)	(4,607,769)		
Loss from discontinued operations	(15,383,264)	-	-	-	-	-		
Profit for the year	**781,549,766**	**80,832,334**	**598,630,455**	**100,154,166**	**(8,283,253)**	**18,231,649**		
Share of FCTR loss	(481,999,741)	(217,207,363)	-	-	-	-		
Share of revaluation gain	524,424,917	16,066,848	-	-	2,986,914	45,183,098		
Total comprehensive income	**299,550,025**	**(120,308,181)**	**598,630,455**	**100,154,166**	**(8,283,253)**	**18,231,649**		
Share of profit	213,339,016	22,101,602	239,452,182	40,061,666	(4,224,459)	9,298,141	**448,566,739**	**71,461,409**
Share of OC (loss)/income	11,580,766	(54,996,899)	-	-	1,523,326	23,043,380	**13,104,092**	**(31,953,519)**
Summarised balance sheets:								
INFLATION ADJUSTED				ZWL				
Non-current assets	4,304,592,975	3,810,294,487	34,334,320	100,585,854	103,420,266	171,164,502		
Current assets	7,276,646,955	7,062,839,076	1,091,009,782	746,142,563	347,987,155	394,460,455		
Non-current liabilities	(306,870,577)	(373,631,062)	(24,505,560)	-	(51,306,806)	(30,007,229)		
Current liabilities	(4,207,985,582)	(4,281,955,891)	(358,345,402)	(196,820,626)	(234,394,339)	(105,576,714)		
Total equity	**7,066,383,771**	**6,217,546,610**	**742,493,140**	**649,907,791**	**165,706,276**	**430,041,014**		
Group's equity interest	1,928,905,143	1,700,034,338	296,997,256	259,963,116	84,510,201	219,320,917		
Inflation restatements	2,313,786,167	1,112,952,867	48,032,220	(8,699,256)	21,032,415	3,762,834		
Investment carrying amount	**4,242,691,310**	**2,812,987,205**	**345,029,476**	**251,263,860**	**105,542,616**	**223,083,751**	**4,693,263,402**	**3,287,334,816**
UNAUDITED HISTORICAL COST					ZWL			
Non-current assets	4,304,592,975	1,118,861,500	28,243,765	4,636,716	66,222,596	49,716,982		
Current assets	7,276,646,955	2,073,944,350	1,061,765,176	163,869,638	283,717,435	52,081,240		
Non-current liabilities	(306,870,577)	(109,713,675)	(24,505,560)	-	(51,306,806)	-		
Current liabilities	(4,207,985,582)	(1,257,360,975)	(358,345,403)	(59,978,829)	(234,394,339)	(32,262,998)		
Total equity	**7,066,383,771**	**1,825,731,200**	**707,157,978**	**108,527,525**	**64,238,886**	**69,535,224**		
Group's equity interest	1,928,905,145	499,201,040	282,863,192	43,411,010	32,761,831	35,462,964		
Investment carrying amount	**1,928,905,145**	**499,201,040**	**282,863,192**	**43,411,010**	**32,761,831**	**35,462,964**	**2,244,530,168**	**578,075,014**

11 INVENTORIES

		INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
		2021	Restated 2020	2021	2020
	Note	ZWL	ZWL	ZWL	ZWL
Parent and commercial seed		1,206,320,256	1,150,692,619	536,319,393	102,594,445
Spares and general consumables		399,824,457	1,001,539,689	242,274,250	48,699,711
		1,606,144,713	**2,152,232,308**	**778,593,643**	**151,294,156**
Inventory recognized as an expense during the year:					
Opening balance of inventory		1,287,306,880	593,410,417	151,294,156	22,447,757
Production, purchases and value-addition processes		2,421,042,867	2,846,128,771	2,277,503,805	326,130,428
Closing balance of inventory	11.1	(1,606,144,713)	(2,152,232,308)	(778,593,643)	(151,294,156)
Cost of sales		**2,102,205,034**	**1,287,306,880**	**1,650,204,318**	**197,284,029**
Inventory write-downs included in cost of sales		2,390,212	2,807,414	1,126,669	42,541
Write-downs result when inventory fails quality standards including genetic and purity tests.					
Inventory pledged as security for liabilities		-	-	-	-

12 OTHER FINANCIAL ASSETS AND TRADE AND OTHER RECEIVABLES

	Note				
Treasury bills	12.1.1 & 12.2	9,565	1,659,924	9,565	487,423
Loan advance	12.1.2 & 12.2	429,456,943	18,151,183	429,456,943	5,329,945
Long-term fixed deposits	12.1.3 & 12.2	1,672,226	6,110,327	1,672,226	1,794,248
Equity investment	12.1.4 & 12.2	422	419	16	14
Allowance for credit losses		(7,456,443)	(8,503,873)	(7,456,443)	(2,497,092)
Other financial assets		**423,682,713**	**17,417,980**	**423,682,307**	**5,114,538**
Non-current		1,682,213	17,417,980	1,681,807	5,114,538
Current		422,000,500	-	422,000,500	-
Other financial assets		**423,682,713**	**17,417,980**	**423,682,307**	**5,114,538**
Trade receivables	12.2	1,212,126,478	34,597,169	1,212,126,478	10,159,173
Prepayments	12.1.5	249,176,165	207,161,487	237,604,159	56,038,376
Seed grower advances	12.1.6 & 12.2	746,793,788	526,654,451	746,793,788	154,647,729
Other receivables	12.1.7 & 12.2	722,398,812	50,791,638	722,398,812	14,914,545
Allowance for credit losses	12.2 & 12.3	(72,008,268)	(69,300,669)	(72,008,268)	(20,349,569)
Trade and other receivables		**2,858,486,975**	**749,904,076**	**2,846,914,969**	**215,410,254**

NOTES TO THE GROUP FINANCIAL STATEMENTS

12.1.1 Treasury bills were issued by the government of Zimbabwe as settlement for amounts owed. They earn interest at 5%p.a. (2020: 5%p.a.) mature within three (3) years.

12.1.2 Loans advances relate to funds advanced to the RBZ payable. The Group has a loan payable with the same bank as disclosed in note 17.15. (2020: Loans advanced to grow on a long-term basis to acquire irrigation equipment for their farms. Since becoming current, they have now been reclassified to seed grower advances).

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

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

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

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

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

12.2 Provisioning matrices

INFLATION ADJUSTED & UNAUDITED HISTORICAL COST			Days past due			
At 31 March 2021	**Current**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**> 90 days**	**Total**
Expected credit loss rate on:			%			
Treasury bills	0%	0%	0%	0%	11%	**11%**
Loan advances	2%	0%	0%	0%	0%	**2%**
Trade receivables	16%	0%	15%	60%	0%	**1%**
Amounts due from related entities	0%	0%	0%	0%	10%	**0%**
Seed grower advances	0%	0%	0%	0%	8%	**8%**
Estimated gross carrying amount at default of:			**ZWL**			
Treasury bills	-	-	-	-	9,565	**9,565**
Loan advances	429,456,943	-	-	-	-	**429,456,943**
Trade receivables	3,344,658	-	9,430,283	4,747,257	1,194,604,280	**1,212,126,478**
Amounts due from related entities	135,040	370,658,140	76,739,394	25,250,394	11,942,192	**484,725,160**
Seed grower advances	-	-	-	-	746,793,788	**746,793,788**
Expected credit loss on:			**ZWL**			
Treasury bills	-	-	-	-	1,011	**1,011**
Loan advances	7,455,432	-	-	-	-	**7,455,432**
Trade receivables	542,065	-	1,431,708	2,863,416	3,774,738	**8,611,927**
Amounts due from related entities	-	-	-	-	1,163,701	**1,163,701**
Seed grower advances	-	-	-	-	63,396,341	**63,396,341**

INFLATION ADJUSTED			Days past due			
At 31 March 2020	**Current**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**> 90 days**	**Total**
Expected credit loss rate on:			%			
Treasury bills	0%	0%	0%	0%	98%	**98%**
Loan advances	0%	0%	0%	0%	38%	**38%**
Trade receivables	0%	0%	23%	8%	8%	**9%**
Seed grower advances	0%	0%	0%	0%	13%	**13%**
Estimated gross carrying amount at default of:			**ZWL**			
Treasury bills	-	-	-	-	1,659,924	**1,659,924**
Loan advances	-	-	-	-	18,151,183	**18,151,183**
Trade receivables	-	-	2,074,828	14,593,620	17,928,721	**34,597,169**
Seed grower advances	-	-	-	-	526,654,451	**526,654,451**
Expected credit loss on:						
Treasury bills	-	-	-	-	1,627,436	**1,627,436**
Loan advances	-	-	-	-	6,876,437	**6,876,437**
Trade receivables	-	-	476,213	1,220,501	1,499,422	**3,196,136**
Seed grower advances	-	-	-	-	66,104,533	**66,104,533**

UNAUDITED HISTORICAL COST			Days past due			
At 31 March 2020	**Current**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**> 90 days**	**Total**
Expected credit loss rate on:			%			
Treasury bills	0%	0%	0%	0%	98%	**98%**
Loan advances	0%	0%	0%	0%	38%	**38%**
Trade receivables	0%	0%	23%	8%	8%	**9%**
Seed grower advances	0%	0%	0%	0%	13%	**13%**
Estimated gross carrying amount at default of:			**ZWL**			
Treasury bills	-	-	-	-	487,423	**487,423**
Loan advances	-	-	-	-	5,329,945	**5,329,945**
Trade receivables	-	-	609,256	4,285,296	5,264,621	**10,159,173**
Seed grower advances	-	-	-	-	154,647,729	**154,647,729**
Expected credit loss on:			**ZWL**			
Treasury bills	-	-	-	-	477,883	**477,883**
Loan advances	-	-	-	-	2,019,209	**2,019,209**
Trade receivables	-	-	139,836	358,390	440,293	**938,519**
Seed grower advances	-	-	-	-	19,411,050	**19,411,050**

NOTES TO THE GROUP FINANCIAL STATEMENTS

		Note	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
12	**Allowance for credit losses reconciliation:**					
	Balance at beginning of the year		77,804,542	121,943,829	22,846,661	4,612,938
	Charge for the year through profit or loss		4,371,785	64,875,716	58,236,283	19,050,218
	Written off		(675,582)	(1,343,699)	(454,532)	(227,233)
	Recovered during the year		-	(2,006,738)	-	(589,262)
	Inflation restatement		(872,333)	(105,664,566)	-	-
	Balance at the end of the year	12.1 & 13.1	**80,628,412**	**77,804,542**	**80,628,412**	**22,846,661**
	Trade and other receivables pledged as security for liabilities		-	-	-	-
	Foreign currency sensitivity					
	Local currency weakening against US$ by 10%		-	-	-	-
	Local currency strengthening against US$ by 10%		-	-	-	-
13	**AMOUNTS DUE FROM RELATED ENTITIES**					
	Seed Co International		370,658,140	11,808,611	370,658,140	3,467,501
	Seed Co Zambia		25,250,394	2,082,095	25,250,394	611,390
	Seed Co Malawi		76,739,394	8,966,947	76,739,394	2,633,070
	Seed Co Tanzania		-	1,033,838	-	303,578
	Agri Seed Co Kenya		-	1,055,153	-	309,837
	Seed Co Rwanda		-	278,697	-	81,837
	Prime Seed Co Zimbabwe		11,942,192	7,065,045	11,942,192	2,074,592
	Vilmorin		135,040	-	135,040	-
	Gross carrying amount	21.2.1	**484,725,160**	**32,290,386**	**484,725,160**	**9,481,805**
	Allowance for credit losses	12.2	(1,163,701)	-	(1,163,701)	-
			483,561,459	**32,290,386**	**483,561,459**	**9,481,805**
13	**Foreign currency sensitivity**					
	Local currency weakening against US$ by 10%		47,278,297	2,522,534	47,278,297	740,721
	Local currency strengthening against US$ by 10%		(47,278,297)	(2,522,534)	(47,278,297)	(740,721)
14	**CASH AND CASH EQUIVALENTS**					
14						
	Cash at banks and on hand		534,672,810	115,201,313	534,672,810	33,827,914
	Short-term deposits		-	5,636	-	1,655
			534,672,810	**115,206,949**	**534,672,810**	**33,829,569**

		INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
14	Cash and cash equivalents pledged as security for liabilities	-	-	-	-
	Foreign currency sensitivity				
	Local currency weakening against US$ by 10%	2,451,609	264,935	2,451,609	77,796
	Local currency strengthening against US$ by 10%	(2,451,609)	(264,935)	(2,451,609)	(77,796)

		Note	2021 Number	2020 Number
15	**SHARE CAPITAL**			
	Issued and fully paid up shares			
	At 1 April		247,202,645	242,612,640
	Exercise of share options	16	-	2,088,500
	(Cancellation)/Issue of shares		(32,800)	2,501,505
	At 31 March		**247,169,845**	**247,202,645**
	Authorised number of shares		500,000,000	500,000,000

		ZWL	ZWL	ZWL	ZWL
16	**SHARE BASED PAYMENTS**				
	Carrying amount of the share based payment reserve:	51,638,610	49,270,819	5,569,811	3,202,020
	Expense recognised for employee services rendered during the year:	2,367,791	5,231,096	2,367,791	1,536,068

	2021 Number	2020 Number
Share options vested during the year	**-**	2,088,500

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

	2021 Number	2021 WAEP (ZWL$)	2020 Number	2020 WAEP (ZWL$)
Outstanding at 1 April	**6,072,828**	**1.76**	**4,132,761**	**1.47**
Granted during the year	1,089,418	3.88	4,470,823	1.43
Forfeited during the year	(525,734)	1.92	(442,256)	1.77
Exercised during the year	-	-	(2,088,500)	0.49
Cancelled during the year	32,800	1.43	-	-
Outstanding at 31 March	**6,669,312**	**2.09**	**6,072,828**	**1.76**
Exercisable at 31 March	-	-	-	-

NOTES TO THE GROUP FINANCIAL STATEMENTS

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

	2021	2020
Weighted average fair values at the measurement date	3.88	1.43
Dividend yield (%)	0.00%	2.53%
Expected volatility (%)	62.81%	33.87%
Risk–free interest rate (%)	18.20%	15.15%
Expected life of SARs (years)	3.00	3.00
Weighted average share price (ZWL$)	12.75	1.76

17 BORROWINGS

17.1

	Note	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	UNAUDITED HISTORICAL COST 2020 ZWL
IDBZ	17.7	5,996,991	23,629,863	5,996,991	6,938,714
Stanbic	17.8	299,000,000	9,414,459	299,000,000	2,764,478
FBC	17.9	-	85,137,760	-	25,000,000
Agribank	17.10	120,000,000	102,165,312	120,000,000	30,000,000
Proparco	17.11	1,055,001,250	-	1,055,001,250	-
First Capital	17.12	223,988,900	-	223,988,900	-
ZB Bank	17.13	84,459,406	-	84,459,406	-
Standard Chartered	17.14	62,653,000	-	62,653,000	-
RBZ	17.15	420,598,500	-	420,598,500	-
		2,271,698,047	**220,347,394**	**2,271,698,047**	**64,703,192**
Non-current		1,060,998,241	23,629,863	1,060,998,241	6,938,714
Current		1,210,699,806	196,717,531	1,210,699,806	57,764,478
		2,271,698,047	**220,347,394**	**2,271,698,047**	**64,703,192**

17.2 Borrowings reconciliation:

	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	UNAUDITED HISTORICAL COST 2020 ZWL
At 1 April	220,347,394	-	64,703,192	-
Proceeds from borrowings	2,899,078,641	489,591,427	2,899,078,641	143,764,478
Repayments of borrowings	(692,083,786)	(269,244,033)	(692,083,786)	(79,061,286)
Inflation restatement	(155,644,202)	-		
At 31 March	**2,271,698,047**	**220,347,394**	**2,271,698,047**	**64,703,192**

17.3 The maturity analysis of borrowings are shown below

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
INFLATION ADJUSTED					
At 31 March 2021	-	286,641,899	924,057,907	1,060,998,241	**2,271,698,047**
At 31 March 2020	-	85,137,760	111,579,771	23,629,863	**220,347,394**

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
UNAUDITED HISTORICAL COST					
At 31 March 2021	-	286,641,899	924,057,907	1,060,998,241	**2,271,698,047**
At 31 March 2020	-	25,000,000	32,764,478	6,938,714	**64,703,192**

	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	UNAUDITED HISTORICAL COST 2020 ZWL
17.4 Interest rate sensitivity				
Increase in interest rates by 50 basis points	(11,358,490)	(1,101,737)	(11,358,490)	(323,516)
Decrease in interest rates by 50 basis points	11,358,490	1,101,737	11,358,490	323,516
17.5 Foreign currency sensitivity				
Local currency weakening against US$ by 10%	(105,500,125)	-	(105,500,125)	-
Local currency strengthening against US$ by 10%	105,500,125	-	105,500,125	-
17.6 Undrawn committed borrowing facilities				
Total facilities available/limit	2,593,901,750	350,767,572	2,593,901,750	103,000,000
Facilities utilised at year end	(2,271,698,047)	(220,347,394)	(2,271,698,047)	(64,703,192)
Unutilised borrowing capacity	**322,203,703**	**130,420,178**	**322,203,703**	**38,296,808**

17.7 IDBZ Facility

	2021	2020
Type of facility	Mid Term Loan	Mid Term Loan
Balance outstanding (ZWL$)	5,996,991	6,938,714
Limit (ZWL$)	8,000,000	8,000,000
Purpose	Drier Construction	Drier Construction
Tenure (days)	1,460	1,460
Interest rate (%)	45%	25%
Security details	Unsecured	Unsecured

NOTES TO THE GROUP FINANCIAL STATEMENTS

17.8 Stanbic facility	**2021**	**2020**
Type of facility	Loan /Overdraft	Overdraft
Balance outstanding (ZWL$)	299,000,000	2,764,478
Limit (ZWL$)	544,500,000	15,000,000
Purpose	Working Capital	Working Capital
Tenure (days)	365	365
Interest rate (%)	40%	25%
Security details	Unsecured	Unsecured

17.9 FBC facility		
Type of facility	Short Term Loan	Short Term Loan
Balance outstanding (ZWL$)		25,000,000
Limit (ZWL$)	110,000,000	50,000,000
Purpose	Working capital	Working capital
Tenure (days)	180	180
Interest rate (%)	48%	28%
Security details	Unsecured	Unsecured

17.10 Agribank facility		
Type of facility	Short Term Loan	Short Term Loan
Balance outstanding (ZWL$)	120,000,000	30,000,000
Limit (ZWL$)	120,000,000	30,000,000
Purpose	Working capital	Working capital
Tenure (days)	365	365
Interest rate (%)	45%	25%
Security details	Unsecured	Unsecured

17.11 Proparco facility	
Type of facility	Mid Term Loan
Balance outstanding (ZWL$)	1,055,001,250
Limit (ZWL$)	1,055,001,250
Purpose	Drier Construction
Tenure (days)	7 Years
Interest rate (%)	4%
Security details	Unsecured

17.12 First Capital Bank facility	**2021**
Type of facility	Short Term Loan
Balance outstanding (ZWL$)	223,988,900
Limit (ZWL$)	134,400,000
Purpose	Working capital
Tenure (days)	180
Interest rate (%)	48%
Security details	Unsecured

17.13 ZB Bank facility	
Type of facility	Short Term Loan
Balance outstanding (ZWL$)	84,459,406
Limit (ZWL$)	100,000,000
Purpose	Working capital
Tenure (days)	365
Interest rate (%)	51%
Security details	Unsecured

17.1 Standard Chartered Bank facility	
Type of facility	Short Term Loan
Balance outstanding (ZWL$)	62,653,000
Limit (ZWL$)	100,000,000
Purpose	Working capital
Tenure (days)	365
Interest rate (%)	45%
Security details	Unsecured

17.15 RBZ facility	
Type of facility	Short term loan
Balance outstanding (ZWL$)	420,598,500
Limit (ZWL$)	422,000,500
Purpose	Currency swap
Tenure (days)	365
Interest rate (%)	0%
Security details	Unsecured

NOTES TO THE GROUP FINANCIAL STATEMENTS

18 TRADE AND OTHER PAYABLES

	Note	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
Trade payables		18,018,681	1,089,222	18,018,681	319,841
Accruals and other creditors		81,161,588	35,816,921	81,161,588	10,517,343
		99,180,269	**36,906,143**	**99,180,269**	**10,837,184**

The maturity analysis of trade and other payables are shown below.

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
INFLATION ADJUSTED					
At 31 March 2021	-	6,929,718	92,250,551	-	**99,180,269**
At 31 March 2020	-	27,942,679	8,963,464	-	**36,906,143**

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
UNAUDITED HISTORICAL COST					
At 31 March 2021	-	6,929,718	92,250,551	-	**99,180,269**
At 31 March 2020	-	8,205,137	2,632,047	-	**10,837,184**

Foreign currency sensitivity	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
Local currency weakening against US$ by 10%	-	-	-	-
Local currency strengthening against US$ by 10%	-	-	-	-

19 AMOUNTS DUE TO RELATED ENTITIES

	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
Seed Co International	118,683,594	23,567,000	118,683,594	6,920,255
Seed Co Zambia	-	9,470,408		2,780,907
Seed Co Tanzania	26,423,723	-	26,423,723	
Agri Seed Co Kenya	23,305,555	4,604	23,305,555	1,352
Prime Seed Co Zimbabwe	2,776,128	-	2,776,128	
Agri Seed Co Nigeria	8,685,150	-	8,685,150	
	179,874,150	**33,042,012**	**179,874,150**	**9,702,514**

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

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
INFLATION ADJUSTED					
At 31 March 2021	58,414,428	2,776,128	118,683,594	-	**179,874,150**
At 31 March 2020	-	-	33,042,012	-	**33,042,012**

	On demand	< 3 months	3-12 months ZWL	1-5 years	Total
At 31 March 2021	58,414,428	2,776,128	118,683,594	-	**179,874,150**
At 31 March 2020	-	-	9,702,514	-	**9,702,514**

Foreign currency sensitivity	INFLATION ADJUSTED 2021 ZWL	Restated 2020 ZWL	UNAUDITED HISTORICAL COST 2021 ZWL	2020 ZWL
Local currency weakening against US$ by 10%	(16,841,287)	(3,304,201)	(16,841,287)	(970,251)
Local currency strengthening against US$ by 10%	16,841,287	3,304,201	16,841,287	970,251

20 PROVISIONS

Provisions are made up of:	Note	**86,079,941**	**94,778,597**	**86,079,941**	**27,830,952**
Leave pay	20	12,195,103	17,234,587	12,195,103	5,060,794
Bonus	20	68,505,247	51,530,062	68,505,247	15,131,377
Audit fees	21	9,679,608	9,194,878	9,679,608	2,700,000
Depot commission	21	(7,040,743)	(670,072)	(7,040,743)	(196,761)
Foundation seed	21	2,740,726	17,489,142	2,740,726	5,135,542
Other	21	-	-	-	-
		86,079,941	**94,778,597**	**86,079,941**	**27,830,952**

Provisions reconciliation				
At 1 April	94,778,597	716,159,028	27,830,952	3,489,367
Arising during the year	296,294,497	381,657,556	199,347,146	35,918,648
Utilised during the year	(209,717,612)	(373,743,208)	(141,098,157)	(11,577,063)
Inflation restatement	(95,275,541)	(629,294,779)	-	-
At 31 March	**86,079,941**	**94,778,597**	**86,079,941**	**27,830,952**

NOTES TO THE GROUP FINANCIAL STATEMENTS

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2021	Restated 2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
Leave pay provision reconciliation				
At 1 April	17,234,587	75,168,458	5,060,794	366,246
Arising during the year	20,572,254	52,761,702	13,841,027	4,965,522
Utilised during the year	(9,968,358)	(29,196,011)	(6,706,718)	(270,974)
Inflation restatement	(15,643,380)	(81,499,562)	-	-
At 31 March	**12,195,103**	**17,234,587**	**12,195,103**	**5,060,794**
Bonus provision reconciliation				
At 1 April	51,530,062	388,605,577	15,131,377	1,893,417
Arising during the year	159,312,122	185,776,151	107,185,308	17,483,810
Utilised during the year	(79,981,245)	(181,166,953)	(53,811,438)	(4,245,850)
Inflation restatement	(62,355,692)	(341,684,713)	-	-
At 31 March	**68,505,247**	**51,530,062**	**68,505,247**	**15,131,377**
21 Audit fees provision reconciliation				
At 1 April	9,194,878	13,746,382	2,700,000	66,977
Arising during the year	19,426,246	27,977,476	13,069,992	2,633,023
Utilised during the year	(9,052,285)	(4,812,658)	(6,090,384)	-
Inflation restatement	(9,889,231)	(27,716,322)	-	-
At 31 March	**9,679,608**	**9,194,878**	**9,679,608**	**2,700,000**
Depot commission provision reconciliation				
At 1 April	(670,072)	34,614,823	(196,761)	168,655
Arising during the year	86,411,799	45,146,869	58,137,919	4,248,873
Utilised during the year	(96,584,175)	(61,148,411)	(64,981,901)	(4,614,289)
Inflation restatement	3,801,705	(19,283,353)		
At 31 March	**(7,040,743)**	**(670,072)**	**(7,040,743)**	**(196,761)**
Foundation seed provision reconciliation				
At 1 April	17,489,142	180,348,812	5,135,542	878,720
Arising during the year	10,572,076	69,995,358	7,112,900	6,587,420
Utilised during the year	(14,131,549)	(87,904,791)	(9,507,716)	(2,330,598)
Inflation restatement	(11,188,943)	(144,950,237)	-	-
At 31 March	**2,740,726**	**17,489,142**	**2,740,726**	**5,135,542**
Other provisions reconciliation				
At 1 April	-	23,674,976	-	115,352
Arising during the year	-	-	-	-
Utilised during the year	-	(9,514,384)	-	(115,352)
Inflation restatement	-	(14,160,592)	-	-
At 31 March	**-**	**-**	**-**	**-**

NOTES TO THE GROUP FINANCIAL STATEMENTS

21 RELATED PARTIES' TRANSACTIONS AND BALANCES

21.1 Related party transactions

INFLATION ADJUSTED	Sales of goods	Purchase of goods	Dividends received	Dividends paid	Royalties earned	Management fees incurred	Interest incurred
2021				ZWL			
Seed Co International	-	-	-	-	244,382,953	91,012,457	26,222,376
Seed Co Botswana	24,120,728	-	-	-	-	-	-
Seed Co Zambia	3,153,217	1,347,985	2,374,152	-	-	-	-
Seed Co Malawi	220,778,702	-	-	-	-	-	-
Seed Co Tanzania	160,182,107	-	-	-	-	-	-
Agri Seed Co Nigeria	225,802,530	-	-	-	-	-	-
Prime Seed Co Zimbabwe	3,346,130	-	-	-	-	-	-
	637,383,414	**1,347,985**	**2,374,152**	**-**	**244,382,953**	**91,012,457**	**26,222,376**
Restated 2020				ZWL			
Seed Co International	-	-	-	-	186,256,334	48,705,629	25,702,068
Seed Co Botswana	2,993,597	-	-	-	-	-	-
Seed Co Zambia	17,967,112	3,449,738	-	-	18,918,085	-	-
Seed Co Malawi	17,223,672	-	-	-	15,413,458	-	-
Seed Co Tanzania	2,178,491	-	-	-	12,473,088	-	-
Agri Seed Co Kenya	12,682,989	-	-	-	596,713	-	-
Prime Seed Co Zimbabwe	17,754,165	-	-	-	-	-	-
	70,800,026	**3,449,738**	**-**	**-**	**233,657,678**	**48,705,629**	**25,702,068**
UNAUDITED HISTORICAL COST							
2021				ZWL			
Seed Co International	-	-	-	-	198,747,002	61,233,205	17,642,421
Seed Co Botswana	16,228,432	-	-	-	-	-	-
Seed Co Zambia	2,121,485	906,924	1,597,330	-	-	-	-
Seed Co Malawi	148,539,967	-	-	-	-	-	-
Seed Co Tanzania	107,770,563	-	-	-	-	-	-
Agri Seed Co Nigeria	151,920,000	-	-	-	-	-	-
Prime Seed Co Zimbabwe	2,251,277	-	-	-	-	-	-
	428,831,724	**906,924**	**1,597,330**	**-**	**198,747,002**	**61,233,205**	**17,642,421**

	Sales of goods	Purchase of goods	Dividends received	Dividends paid	Royalties earned	Management fees incurred	Interest incurred
2020				ZWL			
Seed Co International	-	-	-	-	32,314,954	14,302,006	7,547,200
Seed Co Botswana	879,045	-	-	-	-	-	-
Seed Co Zambia	5,275,894	1,012,987	-	-	3,282,235	-	-
Seed Co Malawi	5,057,589	-	-	-	2,674,192	-	-
Seed Co Tanzania	639,696	-	-	-	2,164,046	-	-
Agri Seed Co Kenya	3,724,255	-	-	-	103,528	-	-
Prime Seed Co Zimbabwe	5,213,364	-	-	-	-	-	-
	20,789,843	**1,012,987**	**-**	**-**	**40,538,955**	**14,302,006**	**7,547,200**

21.1.1 Directors' emoluments

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2021	Restated 2020	2021	2020
Directors' emoluments	ZWL	ZWL	ZWL	ZWL
Short term benefits	2,522,091	401,816	1,696,864	117,990
Directors' fees	10,502,657	17,962,489	7,066,191	2,546,244
	13,024,748	**18,364,305**	**8,763,055**	**2,664,234**

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

21.2 Related party balances

Related party balances are disclosed in notes 13 and 19.

22 COMMITMENTS AND CONTINGENCIES

22.1 Commitments

	2021 US$	2020 US$
Capital expenditure commitments approved by the directors but not yet contracted for	3,833,351	3,855,242

22.2 Contingent liabilities

	INFLATION ADJUSTED		UNAUDITED HISTORICAL COST	
	2021 ZWL	Restated 2020 ZWL	2021 ZWL	2020 ZWL
Contingent liabilities	-	-	-	-

NOTES TO THE GROUP FINANCIAL STATEMENTS

23 FINANCIAL RISK MANAGEMENT

The Group's and Company's financial assets comprise of loans and receivables (note 12); trade and other receivables (note 12); related party 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 operations.

The Group'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 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 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 2021 and 2020
- 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

Interest 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

Note 17.4 demonstrates the sensitivity of the the Group's and Company's profit before tax is to a reasonably possible change in interest rates on that portion of loans and borrowings affected with all other variables held constant.

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

Notes 12.5, 13.2, 14.3, 17.5, 18.3 and 19.3 demonstrates the sensitivity to a reasonably possible change in ZWL$ dollar exchange rate against other currencies across the Group, with all other variables held constant, on the Group's and Company's profit before tax.

A 10% change is considered as a reasonably possible change in ZWL$ exchange rate against the respective currencies by the Group Board. The impact on the Group's and Company's profit before tax is due to changes in the value of monetary assets and liabilities induced by exchange rate movements.

The Group is exposed to the fluctuation of the US$ against the ZWL$ as some of its monetary assets and liabilities are denominated in this currency.

23.3 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 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS

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 note 12.2.

Except for its exposure to the government, the Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are fairly distributed across other 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 ban 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 are shown in notes 17.3, 18.2 and 19.2.

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.

24 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 management is 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 its gearing ratio below 50%. The Group's net debt definition comprises loans and borrowings less cash and cash equivalents. In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current and prior periods.

		INFLATION ADJUSTED		**UNAUDITED HISTORICAL COST**	
		2021	**Restated 2020**	**2021**	**2020**
		ZWL	**ZWL**	**ZWL**	**ZWL**
Loans and borrowings	17	2,271,698,047	220,347,394	2,271,698,047	64,703,192
Cash and cash equivalents	14	(534,672,810)	(115,206,949)	(534,672,810)	(33,829,569)
Net debt		**1,737,025,237**	**105,140,445**	**1,737,025,237**	**30,873,623**
Capital		9,438,816,605	7,995,389,559	6,345,103,050	1,635,025,066
Gearing		**18%**	**1%**	**27%**	**2%**

NOTES TO THE GROUP FINANCIAL STATEMENTS

25 EVENTS AFTER THE REPORTING DATE

25.1 Dividend

The Board declared a nil dividend (2020: nil).

25.2 Previously announced proposed Group rebundling

In spite of overwhelming shareholder support for Seed Co International Limited to acquire the Group, the transaction did not eventually go through as the necessary regulatory approval was declined by the regulatory authorities in Zimbabwe. The regulatory authorities' communication to this effect was received after the reporting date but before these financial statements were authorised for issue. The Group's shares which had suspended trading pending delisting from the Zimbabwe Stock Exchange (ZSE) had the transaction been successful resumed trading shortly after the regulatory authorities' decision became known.

This is a non-adjusting event and has a no financial impact on the Group.

26 IMPACT OF COVID-19

Management considered the following in its assessment of the impact of COVID-19.

26.1 Seed demand by customers

The Group's seed offering is right at the start of the food value chain and this strategic positioning enabled the business to benefit from the efforts of the Government, development partners, major customers and other key stakeholders towards ensuring continued food security in the market the Group serves during the pandemic. The strong revenue growth recorded during the reporting period bears testament to this.

26.2 Seed supply by growers

Seed production and the ancillary processing 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.

26.3 Operating expenses

With most of the Group's knowledge workers forced to work remotely, there were increases in information technology (IT), communication and cyber-security costs to ensure business continuity. However, these were offset by travel and office cost savings due to the lockdowns put in place in the country.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **26th Annual General Meeting** of Members of Seed Co Limited **("the Company")** will be held virtually on **Wednesday the 25th of August 2021 at 1400 hours** In compliance with national health guidelines, the Annual General Meeting will be hosted online via the Escrow Group platform to facilitate social distancing.

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 2021.

2. Appointment of Directors

- In accordance with Articles 97 and 98 of the Company's Articles of Association, Messrs.
  - D Jacquemond
  - F Savin
  - Mrs RD Chitengu,

  retire by rotation in terms of Article 104 of the Company's Articles of Association and being eligible offers themselves for re-election. In accordance to the Companies and other Business Entities Act (COBE) section 201 appointment and election of Directors to be voted for individually.

- To note the retirement of Messrs Fungai Ruwende from the Board in accordance to Articles 104 of the Company Articles of Association at the end of the Annual General Meeting.

- To request approval for Directors to continue in office on attaining age of 70 on a year-by-year basis to a maximum of 2 years.

3. Approval of Directors Fees

- Members will be asked to approve the payment of directors' fees in respect of the year ended 31 March 2021 amounting to 2021: ZWL10,502,657 (2020: ZWL17,962,489).

4. Auditors

Shareholders will be asked to approve audit fees amounting to 2021: ZWL 17,149,254 (2020: ZWL 16,926,561) and re-appoint Ernst & Young, Chartered Accountants (Zimbabwe) as auditors for the current year being their last audit. Shareholders are asked to note that the process to appoint new auditors for next year F22/23 is currently underway.

5. Dividend

- No dividend has been declared for the year ended 31 March 2021 in order to preserve cash resources and safeguard the business amidst the COVID-19 Pandemic.

6. Special Business

•Share Buy Back Scheme

To consider and, if deemed fit, to pass with or without modification, the following special resolution: "That the Company authorises in advance, in terms of Section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange (ZSE) Listing Requirements, the purchase by the Company of its own shares upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that:-

i) the authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting;

ii) acquisitions shall be of ordinary shares which, in the aggregate in any one financial year, shall not exceed 10% (ten percent) of the Company's issued ordinary share capital;

iii) the maximum and minimum prices, respectively, at which such ordinary shares may be acquired will be not more than 5% (five percent) above and 5% (five percent) below the weighted average of the market price at which such ordinary shares are traded on the ZSE, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company;

iv) a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between annual general meetings, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition; and

v) if during the subsistence of this resolution the Company is unable to declare and pay a cash dividend then this resolution shall be of no force and effect."

2.2 That the Company be authorised to pay the transaction costs for shareholders who, in terms of the share buyback scheme, hold less than 1,000 (One Thousand) shares.

Note:- In terms of this special resolution, the Directors are seeking authority to allow use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies Act and the regulations of the ZSE. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally. In exercising this authority, the Directors will duly consider following such repurchase, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital.

Registration of the AGM

•Considering the current worldwide regulations and the Zimbabwean Covid-19 regulations which prohibit gatherings more than 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://escrowagm.com/eagmZim/Login.aspx. Please contact **Lesley Muzamba** for assistance with registration for the annual general meeting, email: lesley@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 2021

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
Dr D Garwe
P Gowero
D Jacquemond
M S Ndoro
F Savin
P Spadin

BOARD COMMITTEES
Audit Committee
R.C.D Chitengu (Chairman)
M.S Ndoro
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
Dr E Mhandu - Regional Managing Director - Southern Cluster
L Mutunga - Finance Director
L Ganjani - Commercial
T.N Chimanya - Legal and Corporate Affairs/Group Company Secretary
G. Mabuyaye - Research
C Fambisayi - Business Development
C Murandu - Marketing
P Mutandwa - Human Resources
D Ncube - Internal Audit
E Rupende - Production and Processing
S Ruwisi - Treasury

QUTON
1st Floor SAZ Building ,
Northend Close Northridge Park,
Borrowdale, Harare, Zimbabwe

PRIME SEED CO ZIMBABWE
Shamwari Road, Stapleford, Zimbabwe, P O Box WGT
64, Westgate, Harare, Zimbabwe
Tel: +263 4 882485/851962
Email: beauty.magiya@seedcogroup.com
Website:www.seedcogroup.com

Felistus Ndawi - General Manager

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

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

REGISTERED OFFICE
Shamwari Road, Stapleford, Zimbabwe, P O Box WGT
64, Westgate, Harare, Zimbabwe
Tel: +263 4 882485/851962
Email: seedco@seedco.co.zw
Website:www.seedcogroup.com

SEED CO LIMITED

TWENTY SIXTH ANNUAL GENERAL MEETING
FORM OF PROXY

To be held via a Virtual Meeting on Wednesday the 25th of August 2021, at 1400 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 Wednesday the 25th of August 2021 and at any adjournment thereof.

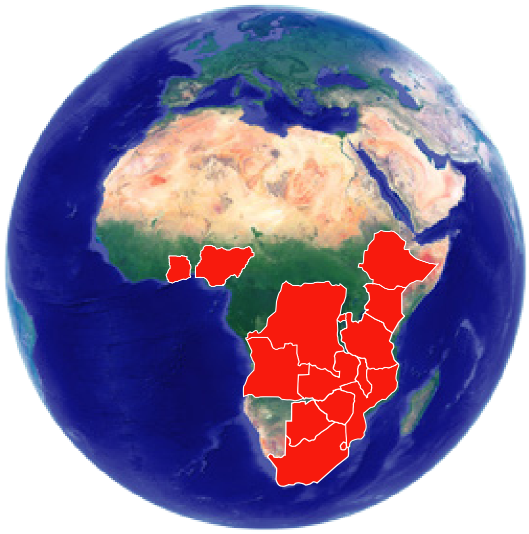
Signed on this ____________________ **day of** ____________________ **2021**

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



SEED CO INTERNATIONAL LIMITED
Plot 70713, Unit 1, Phakalane
Postal Address: P.O. Box 47143
Phakalane, Gaborone, Botswana
Cell: +(267)72899717
Tel/Fax.: +(267)3190743(Direct),
3911906-7
Skype: sam.ruwisi
Email: samson@seedcogroup.com

SEED CO LIMITED
Shamwari Road, Stapleford P.O. Box WGT 64
Westgate
Harare, Zimbabwe
Tel: +263 4 2915 408-14
Fax: +263 4 304 841
Cell: +263 772 231 841-6, +263 772 236 251-4
email: seedco@seedco.co.zw

SEED CO ZAMBIA
Seed Co Business Complex
Farm 683B, Mumbwa Road
P.O. Box 35310, Lusaka West, Lusaka, Zambia
Tel: +260 (211) 272520/272521/273389
Fax: +260 (211) 273390
Cell: +260 (0966-860882)
Email: graceb@seedco.co.zm

SEED CO MALAWI
Private Bag 421, Kanengo
Opposite Lilongwe Teachers College
Kaunda Road, Area 51
Lilongwe
Email: boyd.luwe@seedcogroup.com

SEED CO BOTSWANA
Plot 70713,
Phakalane
Gaborone, Botswana
Cell: +(267)72899717
Tel/Fax.: +(267)3190743(Direct), 3911906-7
Skype: sam.ruwisi
Email: samson@seedcogroup.com

SEED CO TANZANIA
1st Floor Block DD Plot No. 582
Sable Square
Ngaramtoni Yachini
Arusha, Tanzania
Tel: +255 736 210 909
Email: clivem@seedco.co.tz

SEED CO NIGERIA
Seed Co Nigeria Limited
Doctor's Quarters
Ungwan Rimi
No. 3 Ribadu Road
Kaduna
Nigeria
Email: tundefa@seedcogroup.com

SEED CO ANGOLA
Luanda- Kilamba Kiaxi
Camama King Konami Mall n.012
Luanda
Angola
Tel: +244 926 822 892

SEED CO WEST & CENTRAL AFRICA
7 Dzorwulu Crescent, Accra, Ghana
Email: takemore.chagomoka@seedcogroup.com
Tel: +233202194749

SEED CO KENYA
Agri Seed Co Limited
Mombasa Road (Next to Mabati Rolling
Mills), P.O. Box 616 - 0021, Nairobi
Tel: +254 20 804 358, +254 733 414 627
Email: wellington.wasike@seedcogroup.com
Email: seeds@agriseed.co.ke

SEED CO ETHIOPIA
Awlo Bussiness Center
4th Floor Bole, Addis Ababa, Ethiopia
Email: Mekonnen.nefa@seedcogroup.com

SEED CO SWAZILAND
C/O Etsala Seed Company
Mdutjane prison road Luyengo
Malkerns
P.O. Box 137
Malkerns
Email: samson@seedcogroup.com
Email: jeanne.volschenk@farmchem.co.sz

SEED CO MOZAMBIQUE
EN 6 Zona Industrial
Bairro Njamadjessa
Cidade de Chimoio
Mozambique
Email: simon@seedcogroup.com

PRIME SEED CO INTERNATIONAL LIMITED (SEED CO VEGETABLES)
Plot 70713, Unit 1, Phakalane
Postal Address: P.O. Box 47143
Phakalane, Gaborone, Botswana
Cell: +(267)72899717
Tel/Fax.: +(267)3190743(Direct),
3911906-7
Skype: sam.ruwisi
Email: samson@seedcogroup.com

PRIME SEED CO PRIVATE LIMITED (SEED CO VEGETABLES)
Shamwari Road, Stapleford. P.O. Box
WGT 64 Westgate, Harare, Zimbabwe
Telephone: +263 4 308881/8, 308127
Switchboard Cell: +263 8677020255
Email: beauty.magiya@seedcogroup.com

ALLIANCE SEEDS PTY LIMITED
Can Willem Swanepoel/
Joehana Streets
White River
Nelspruit
South Africa
1240
Tel: +27137 500 575
Email: craig@allianceseeds.co.za

QUTON
1st Floor SAZ Building , Northend Close
Northridge Park, Borrowdale, Harare, Zimbabwe

SEED CO

The African Seed Company

www.seedcogroup.com