Seed Co International

The African Seed Company

2019 Annual Report

Welcome to our 2019 Annual Report

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

This report, which is our primary report to stakeholders, covers the period 1 April 2018 to 31 March 2019. 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 Botswana Stock Exchange and 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.

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

Contents.

About the Seed Co International Limited Annual Report

The full edition of Seed Co International Limited Annual Report 2019 comprises:

- Audited consolidated and company financial statements of Seed Co International Limited set out on pages 34 to 80 comprise the group and company statements of financial position as at 31 March 2019.
- The Annual Report includes notes to the financial statements, including a summary of significant accounting policies.
- Seed Co International AGM Notice and Proxy Form

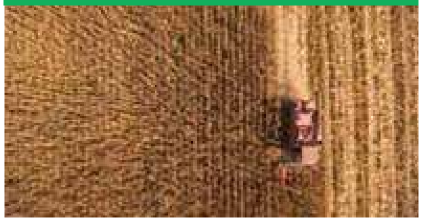
A soft copy of this Annual Report and further information about the company is available on our corporate website: www.seedcogroup.com The Proxy form and Abridged version of this financial report can also be downloaded online.

Seed Co International at a glance.

Our experience

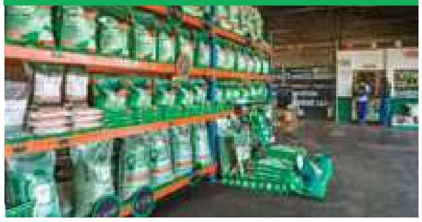
79+ years
Rich experience in Africa's seed industry

Our scale



85 000+ acres
Land under seed production across Africa

Our reach



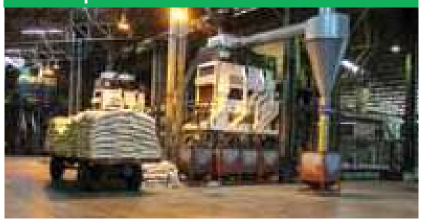
17 000+
Customer touchpoints across 15 key countries in Africa

Our assets

200+
Outreach trial centres

6+
State-of-the-art seed technology, processing and storage plants

Our capabilities



187+ mt/hour
Total average throughput

4000+ mt/cycle
Maize cob drying facility

Seed portfolio

300+ hybrid seeds
We have the capability to produce high-quality hybrid seeds across field and vegetable crops.

Our product portfolio.

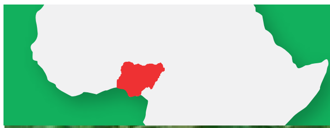
Specially bred for Africa hence assuring farmers best in class quality seeds and highest yields every season.

- → **Hybrid maize**
- → **Soyabean**
- → **Wheat**
- → **Sorghum**
- → **Groundnuts**
- → **Vegetables**
- → **Cotton**
- → **Rice**

Performance Highlights.

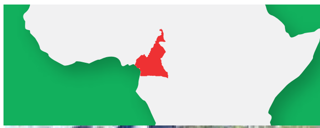
	2019	2018	Change
Turnover	US$ 60.1m	US$ 64.4m	▼ 7%
EBIT	US$ 7.0m	US $ 7.4m	▼ 4%
PAT	US$ 3.8m	US$ 4.5m	▼ 16%
Maize Sales Volumes	21,334 mt	23,844 mt	▼ 11%

Value creation through planting Seed Co varieties.



Nigeria
Hausa farmer in Northern Nigeria

"I have seen the way to wealth after planting Seed Co varieties."

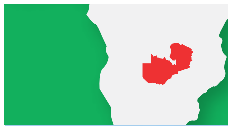


Cameroon
Farming cooperative in Dschang

"Seed Co varieties have enabled us to feed our families and sell extra grain to the market"

Ghana
Volta Region

"I have planted SC719 Maize variety for years under irrigation and has consistently produced over 12t/ha."



Zambia
Mpongwe District

"Planting SC727 with good agronomy practices our farm maize average is as high as 14t/ha..certainly profitable"

Cote Divore
Bouna

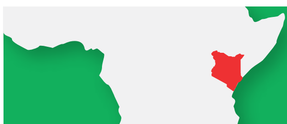
"We are getting good harvests every year with SC719."

Burkina Faso
Ouahigouya

"Our livelihoods as women in the community have improved after farming with Seed Co seeds."

Malawi
Smallholder farmer Eastern region

"Even in drought conditions when I plant the short season SC301 maize variety there is gurantee to harvest enough to feed my family"



Kenya
Southern region

"I always harvest more with Seed Co varieties"


Seed Co International BSE bell ringing 5 October 2018

Seed Co International now listed on the Botswana Stock Exchange.

The principal rationale for listing on the BSE is to mobilize capital, to defend the investment already deployed in the region and fund other expansion opportunities, through a structure that will also unlock and preserve shareholder value whilst providing direct geographical portfolio choice for investors.

Seed Co International's motivations for listing are:

- To unlock shareholder value following the partial unbundling of the Company out of Seed Co Limited by way of a dividend-in-specie distribution;
- To enhance capacity to raise capital to finance research and development, growth and expansion opportunities in the seed business in Africa and beyond;
- To strengthen and enhance the visibility of the Company's brand and regional operations to the investing community;
- To unlock, grow and preserve shareholder value by creating liquidity for the trading and valuation of the Company's shares.
- The capital raised will be directed towards satisfying regional market acquisitions and capex programmes in Tanzania, Nigeria, Zambia, Botswana and Kenya.
- It also seeks to unlock and preserve shareholder value while providing direct geographical portfolio choice for investors.
- The listing gives it momentum in growing its market share in key markets such as East Africa where adoption of the hybrid variety is on the rise as well as input programmes in Zambia, Zimbabwe and Malawi.

Efficient Supply Chain Drives Seamless Operations.

At Seed Co International, supply chain management involves planning of seed production, field production of hybrid and foundation seeds, transportation of raw materials, processing, storage and delivering finished products to domestic and export markets.

Initiatives to strengthen our supply chain management

- Implemented a comprehensive seed production planning process to accomplish delivery of target production volumes, despite challenging seed production scenario.
- Organised seed production in multiple geographies.
- Established new vegetable seed production locations.
- Strengthened seed production research process by multi-location testing of parents of new hybrids; and conducted productivity trials of newly introduced products.
- Implemented field quality maintenance, followed by improved drying operational excellence in maize.
- Improved logistics planning and execution to deliver products in time to meet customer requirements.
- Seed production using scientific technology in maize that is likely to help improve genetic purity, minimise labour intensity, reduce production costs and increase profitability in the future.
- We are maximising seed yields through an improved production strategy by applying several measures that include anticipating seasonal challenges.

NEW

prime SEED·CO TO SEED·CO

VEGETABLE PACKAGING

- Zipper-close foil packaging
- Sealed tin cans
- Excellent protection from light and air
- Long shelf life
- Available in small and large packs

SEED·CO

The African Seed Company

THE HOME OF BUMPER HARVESTS

Available at all Seed Co International retail branches across Africa

www.seedcogroup.com

DEB Long - Chairman

Chairman's Letter.

> "Despite the setback this year where both our markets were ravaged by drought , I am optimistic that your company will rebound and resume it's growth path"

Dear Shareholders,

Introduction

I am pleased to present to you my first Annual Report on your Company for the Financial Year ended 31 March 2019.

Following the unbundling of the regional operations of Seed Co Limited under Seed Co International, the later was successfully listed on the Botswana Stock Exchange on 5 October 2018 with the secondary listing on the Zimbabwe Stock Exchange. The Group believes that it now has better capacity to raise capital to finance Research and Development, growth and expansion opportunities in the seed business in Africa and beyond; and in addition provide improved visibility of the Company's brand and regional operations to the investing community. This would not have been achieved without your support.

This past season has seen the worst droughts for more than forty years in some of our markets. Most parts of southern Africa, covering Zambia, Zimbabwe, Botswana, Namibia and South Africa experienced way below normal or erratic rainfall which made it difficult to establish any crops. Heavier but erratic rainfall in late December resulted in localized flooding in parts of Malawi, Zambia and Zimbabwe. East Africa was not spared either with this region experiencing the worst drought in more than 3 decades. These weather conditions severely reduced seed uptake during the year.

Financial Review

The Group posted turnover of $60m which was 7% below last year while Operating Profit of $7m and PBT of $5m reduced by 4% and 2% respectively as compared to prior year. Performance during the period under review was adversely affected by the subdued demand in East Africa due to the severe drought experienced there. In addition, the adoption of the IFRS 9 accounting standard necessitated a $1.7m (Note 13.2) impairment charge on the income statement.

Product Quality and Seed Supply

Despite the weather challenges during the season, seed production was not severely affected and the Group has adequate stocks to supply the market unlike previous seasons where there were product shortages.

Research and Technology

The Group continues to invest in Research and Development with the completion of development work at the research station in Potchefstroom in South Africa and the establishment of a lowland research station at Tokwe in Mozambique.

Chairman's Letter.

People

As your Company continues to nurture and develop talent, I am proud to congratulate those of our staff who attained doctorates, enhancing the company's pool of very experienced and skilled scientists and agronomists. The new office for group senior management management has been established in South Africa.

The Competitive Landscape

While the competitive landscape remains intense in Africa, your company is keeping ahead of the game by releasing new and better products that outcompete the competition.

New Business Development

I am happy to report that your Company is making pleasing inroads into new untapped markets and is expanding its income streams into the Vegetable space. Seed production challenges seem to have been overcome in Nigeria and your Company is now developing the distribution network to upscale the business there. The Maize Lethal Necrosis Disease (MLND) resistant products for East Africa that are in their final stages of testing are expected to be released in the near future.

In Ethiopia, efforts are still being made to secure the necessary licenses for this promising market where our registered products are already in huge demand.

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

Future Prospects

Despite the setback this year where both our markets were ravaged by drought, I am optimistic that your company will rebound and resume it's growth path and that this will be supported by several factors including :

- Increase in anticipated demand due to expected grain shortages caused by drought in East Africa and floods in Malawi and Mozambique;
- Adequate stocks on site in all major markets; and
- The contribution from Alliance Seeds whose acquisition was concluded just after year end.

Directorate

I would like to take this opportunity to welcome those directors who were appointed during this past year and to thank all my fellow board members, management and staff for their support and dedication in achieving the milestone of listing the Company as well as for showing great resilience during this very challenging year.

Antonio Colombo stepped down from the Board following his appointment as CEO of Limagrain Europe. We wish him all the success in his future endeavours.

D.E.B Long

Chairman
24 May 2019

Morgan Nzwere - Group Chief Executive

Chief Executive Officer's Review.

> "I would also want to thank the Seed Co team for putting up a brave fight during this tough year and thank the Board of directors for support in getting the Group listed on the BSE and ZSE together with their guidance on other initiatives we undertook during the year."

Overview

This was yet another challenging year for the Group, characterised by delayed rains and in some cases outright drought, in both the Southern and East African Markets. The rains that came in late December across the sub-region did not rescue the situation as it was too late to plant.

East Africa, especially Kenya and Tanzania experienced the worst drought in 3 decades with the little rains received coming after our Financial year end closure. This drastically reduced any plantings in the region in the period under review.

Group Financial Review

The Group ended the year with turnover retreating by 7% and consequently Operating Profit and PBT reducing by 4% and 2% respectively, as compared to prior year.

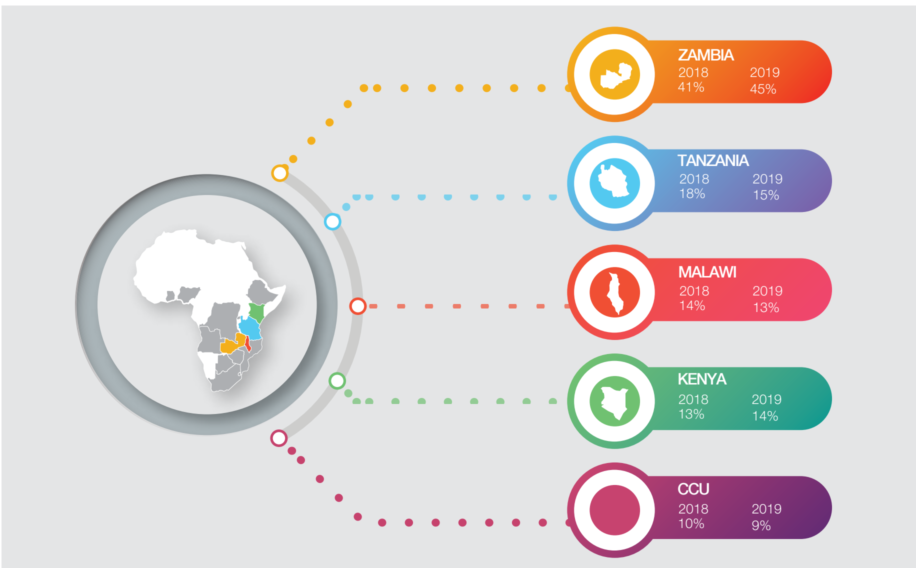
Income Statement

Revenue

The revenue retreated by 7% on the back of reduced volumes due to the rainfall challenges as explained above.

The revenue contribution by market is shown below:

Contribution to Group revenue



Group listing on the **BSE and ZSE**

Group's seed production target enough to meet demand

4 new maize seed hybrids for the South African market

Adequate carry over stocks in all markets and a better rainfall being forecast for the next season

Chief Executive Officer's Review.

Margins
Gross margin reduced slightly due to product mix.

Other Income
Exchange gains on net foreign denominated receivables and positive outcomes on some hedging instruments improved other income.

Overheads
The increase in administration costs was largely due to additional provisions following adoption of IFRS9, which requires that you provide for bad debts at point of sale , instead of waiting for the debtors to turn bad.

Finance Costs
Finance costs were almost at the same levels as prior year while the finance income grew mainly from investment of private placement in short term money market instruments.

Earnings
The profit for the year declined due to a combination of reduced volumes and additional provisions following adoption of IRFS9.

Statement of Financial Position
Property, Plant and Equipment
The Property , Plant and Equipment, reduced by $3,4M due to exchange rate movements.

Inventories
The reduction in seed off-take increased the closing seed stocks which puts the Group in a strong position to better supply the market in coming season.

Trade and Other Receivables
The trade receivables were at same levels as prior year. The performance of Government debt in Zambia was slow during the year but continued engagement is expected to yield results within the first half of the new year.

Receivables from Zimbabwe remain outstanding although there is commitment from the central bank in availing the foreign currency required to repay these debts.

Cash and Cash Equivalents
These have increased due to the capital injection following the listing of the company.

Equity
The increase in equity from the issue of shares from the capital injection was significantly reduced by the translation loss from conversion of foreign entities due to currency devaluations and also day one provisions following adoption of IFRS9

Borrowings
These have increased due to a combination of increased stock production following previous years shortages and also delayed payments from major customers especially regional governments.

Research & Development
The development work at the Potchefstroom research station in South Africa has now being completed.

Chokwe Research station in Mozambique for breeding of lowland varieties is now operational.

The MLN breeding pipeline is now in shape and testing of the hybrids in adaptation trials in territories outside the MLND endemic area of East Africa is being done.

4 new maize seed hybrids for the South African market were approved for internal release.

Collaboration with the World Vegetable Center has facilitated the sourcing of starter germplasm for commencement of breeding work on vegetables.

Seed Supply
Despite the drought experienced in most markets , the Group's seed production target was not severely compromised due to in stalled irrigation infrastructure at some of the seed production farms and the company will have enough seed to meet demand in the coming season.

Business Development
Nigeria
The production challenges have now been resolved and the business is now positioned well to upscale the distribution and sale of produced seed. The focus is now on the marketing and promotions of the products to improve visibility . The business broke even this year and is now expected to start positively contributing to Group profits.

Seed processing and storage facilities are now being improved to handle the increased volumes.

Ghana
In an effort to develop Francophone West Africa territory from Seed Co Ghana, market development work is now set for all the targeted West African countries in collaboration with Novalliance Group as the main distributor, the Alliance for Green Revolution in Africa ("AGRA") and other strategic partners.

A strategic collaboration agreement is being structured between Seed Co and AGRA in promoting the use of hybrids in AGRA targeted countries.

Chief Executive Officer's Review.

Ethiopia

The company is continuing to work with identified co-operators and consultants in a bid to achieve breakthrough in this market.

Angola

Angola is a promising market that currently is predominantly yellow OPV maize and largely seed-import dependent, with the company selling about 500mt into this market in the just ended season, a quantity that was compromised by availability of required varieties.

Mozambique

Significant inroads have been made with close to 2000mt having been sold into this market. The company is in the process of beefing in-country presence through establishment of local agronomy and business development teams as well as seed distribution depots. Some limited seed production trials have also been initiated.

Great Lakes Region – Rwanda, Uganda and Burundi

In Rwanda, focus is now on servicing the open market with a wider product basket that includes vegetables whose demand has increased significantly.

Distributing agents in Rwanda are now being sought to continue serving and grow the open market already established.

An open market approach is also being pursued in Uganda, eastern DRC and Burundi and a distributorship agreement will be signed with a big global distribution Group in due course.

Prime Seed Co Vegetable Business development

Upscaling of the Vegetables business in the various countries is underway.

The Seed Co and HM Clause breeding teams set breeding priorities for the vegetable program. Product portfolios for cabbages and tomatoes, the targeted crops for breeding were consolidated

Operations

Zambia

The northern part of the country experienced normal rains while the southern part experienced below average and erratic rains that compromised output.

Demand in the local market grew by close to 20% as compared to prior year. However the export volumes were adversely affected by the grain export ban earlier in the year that posed severe logistical challenges in exporting seed.

Seed production at own farms continues to increase as more hectarage is cleared.

Turnover at $31.6m for the year was at the same levels as in prior year.

Delayed Government payments to Agro-dealers had a negative effect on the business as it meant they in turn couldn't pay the company on time, resulting in increased provisions under IFRS 9.

Gross margins retreated by 2% to 46% due to product mix, with higher volumes of open pollinated soybeans having been sold in the year under review.

Annual PAT grew by 26%.

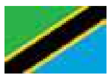
Malawi

The business achieved a turnover of $8,8m which was 18% below prior year. Sales volumes were 22% lower than prior year due to product dumping of carry over seed by competition in order to clear old stocks, as well as Government inclusion of cheaper OPV products in the farmer input support program in the local market.

The business maintained its prices on hybrid products and also doubled exports to Mozambique.

PBT at US$ 1.124m and PAT at US$ 0.974m were 17% and 2% better than prior year respectively on account of better management of costs.

Tanzania



Total revenue at $10,7m was 18% lower than prior year .The selling season was characterised by the grain pricing crisis, seed import bottlenecks, intense price competition and prolonged second season drought resulting in 13% decline in sales volumes. The second season normally accounts for close to 30% of total sales volumes of the year, but this year was a complete write-off.

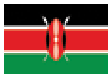
The gross profit was slightly lower than prior year due to currency devaluation well as introduction of 18% VAT on transport costs.

Operating expenses contained to 2% above last year.

The PAT was significantly affected by IFRS 9 provisions on receivables.

The local production thrust is progressing well as evidenced by the 60% growth in output.

Chief Executive Officer's Review.

Kenya 

Turnover of $9.5m was 3% lower than prior year

Drought, local production and seed import challenges resulted in sales volumes declining 12% .

The prolonged drought which was experienced during the second season that normally commences in February affected seed uptake.

GP Margin dropped a percentage point to 34% from prior year owing to relatively higher import sales and the write-down of some old stocks that failed germination.

The business made a marginal loss as a result of the reduced volumes as well as additional provisions from the adoption of IFRS 9.

Commom Customs Union (CCU) Markets

Normal to below normal rainfall as well as the loss of the Botswana Government tender due to undercutting by competitors affected sales across the Common Customs Union with sales falling 10% below prior.

Revenue at $6,3m was 16% below prior year.

Currency depreciation reduced the GP Margin by 4% to 39%.

Overheads were 2% below prior year.

Prime Seed Co

Vegie divisions consolidated under Prime Seed Co International (Zambia, Tanzania, Kenya and Malawi) achieved sales of $1.5m and recorded a marginal loss.

The Group vegie sales are still highly skewed towards OPVs with hybrids only contributing 31% of turnover.

Outlook

We expect earnings to rebound due to :

- Adequate carry over stocks in all markets and a better rainfall being forecast for the next season in the key markets.
- Continued demand for soyabeans as well as short season. varieties which the Group has in stock.
- Progression of the Nigerian business.
- Upscaling of the vegetable business in all markets.
- Acquisition of Alliance seeds in South Africa.

Acknowledgement

I would like to acknowledge the contribution of the outgoing Managing Director for the Vegetable division Mr Willy Ranby who has been instrumental in setting up the Vegetable businesses in all markets and wish him all the best in his new endeavors.

I would also like to thank the Seed Co team for putting up a brave fight during this tough year and the Board of directors for their support in getting the Group listed on the BSE and ZSE together with their guidance on other initiatives we undertook during the year. The company is certainly in a strong position and poised for growth.

M Nzwere
Group Chief Executive
24 May 2019

Governance statement.

Seed Co International - Our Approach to Corporate Governance

The Seed Co International Limited Board takes responsibility for the holistic application of the principles contained in King IV Code on Corporate Governance and the Botswana Code of Corporate Governance without diluting the Group's focus on sustainable and ethical performance. The Group has evaluated governance processes and reporting in the context of governance best practices to foster integrated thinking that continues to create value over time. Our strategy is supported by high standards of corporate governance which we review annually to ensure robust transparent reporting, thus forging strong relationships with our internal and external stakeholders and the continued alignment of our business with global best practice. A detailed internal King IV gap analysis was conducted in 2019 and revealed that the Group is compliant to King IV provisions. We have ongoing efforts to implement appropriate measures to close off areas requiring improvement. Best practice governance is an aspirational journey and some areas will continue to receive focus in the next one to two years. The Board is confident that no material deficiencies in implementing the recommended practices led to Seed Co International not being able to holistically achieve the stated outcomes of an ethical culture, good performance, effective control and legitimacy. Stakeholders will be updated on how we have progressed on improvement measures, as well as generally maturing in our application of the principles to enable and ensure achievement of the governance outcomes through our annual King IV application report.

Our Approach To Corporate Governance

At SeedCo International we appreciate that adhering to the highest form of standards of corporate governance is fundamental to the sustainability of our business across Africa as a whole. Adherence to sound principles of corporate governance by Seed Co International is fundamental to earning and maintaining the trust of key stakeholders and, ultimately achieving our performance goals, while acknowledging that the methods it employs to achieve these goals are as important as the goals themselves.

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

- The Republic of Botswana Companies Act
- The Botswana Stock Exchange Listings Requirements
- The King Code III of Good Governance, and now transitioning to 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

Seed Co International will also continue to observe best practices in corporate governance by continuously benchmarking with international best practices such Organisation for Economic Cooperation and Development (OECD 1999) Principles of Corporate Governance and Principles of Corporate Governance in the Commonwealth (CACG Guidelines 1999). Our business practices are therefore conducted in good faith, in the interest of our internal and external stakeholders with a clear mandate to observe the principles of good corporate governance as laid down in King IV Code of Corporate Governance. The SeedCo International Board of Directors is the foundation of our governance systems and is accountable and responsible for the performance of the Group and its subsidiaries operating across Africa.

The Seed Co International Limited Board is led by our Chairman Mr. David Long who retains effective control of the business through a clear governance structure that has established Committees to assist in accordance to our Corporate Governance Framework and King IV. The Board in its entirety recognises that delegations of authority are a fundamental requirement for the success of our business and does not reduce the responsibility of Directors to discharge statutory and common law fiduciary duties. As a business we continue to review our governance structures and ensure that they support the effective decision-making processes and establish a corporate culture that is aligned with Seed Co International's vision and purpose in the process foster sustainable growth and align to every evolving global best practice.

Legal Compliance

A risk-based compliance framework has been adopted to provide additional focus on compliance with priority legislation. Management considers and includes all material legislative requirements within the checklist and delegates this to the appropriate compliance owners across Executive and Senior Management levels. The Seed Co International Corporate Governance Manual is currently under review and will require all Executives and Senior Management to make an annual declaration that all laws in the countries that we operate in have been complied with, based on there being no reported instances of non-compliance. All deficiencies noted by the Executive and Senior Management will be tabled to the Board on an annual basis. The effectiveness of the compliance framework is continuously monitored at Board level and the Board confirms that no material non-compliance has been brought to its attention. Furthermore, Seed Co International fully complies with employment laws and practices and is committed to the protection of human rights.

Governance statement.

Seed Co International - Our Governance Structure

Seed Co International
(BSE primary & ZSE secondary listing)

Field crop seed SBUs in Africa:
- Botswana 100%
- Ghana 100%
- Kenya 100%
- Malawi 100%
- Nigeria 60%
- Rwanda 100%
- South Africa 100%
- Tanzania 100%
- Zambia 99%

40% Quton Malawi
30% Quton Tanzania
(Associates in cotton seed business)

Prime Seed Co International
(51% Joint Venture)

African vegetable seed businesses:
- Prime Seed Co Kenya 100%
- Prime Seed Co Malawi 100%
- Prime Seed Co Tanzania 100%
- Prime Seed Co Zambia 100%

Shareholders and Other Stakeholders

Board of Directors

Determines Seed Co International 's purpose and values, develops strategies in relation thereto and provides strategic direction and leadership aligned to the Seed Co's value accountability system to ensure continued sustainability of the business across Africa.

Group Company Secretary

Audit and Risk Committee

Provides oversight of the integrated annual report, financial reporting, internal controls & risk management and monitors the maintenance and safeguarding of Seed Co's assets as well as the continued sustainability of the Company.

Nomination and Remuneration Committee

Ensures that the Board is appropriately structured to enable it to execute and carry its mandate and functions effectively. In addition, it monitors Seed Co's remuneration policies and ensures that the Group has optimal remuneration.

Strategic Committee

Provides oversight for all investor related activities and implementation of the Group Strategy in all the Africa wide subsidiaries.

Governance statement.

Board of Directors

Composition and structure

The Seed Co International Board meets at least four (4) times a year to consider the business and strategy of the company. The Board reviews the reports of the Group Chief Executive Officer, Group Chief Finance Officer, Subsidiary Managing Directors and other Group Executives. The Board comprises of 14 Directors, of which 3 are Executive Directors, seven are independent non-executive directors and four are non-executive directors. Apart from Daniel Jacquemond, Frederic Savin, Antoine Columbo who are all French citizens, all the directors are from Malawi, Zambia and Zimbabwe which are some of the key markets that Seed Co subsidiaries operates in.

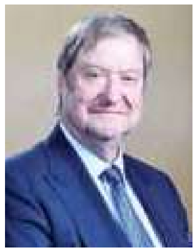
The Group Company Secretary, Regional Managing Director – Southern Cluster, Group Internal Auditor, attend meetings regularly by invitation. The external auditors are also invited to certain Audit and Risk committee and Board meetings.

The Board, with respect to gender and race, represents as far as possible the demographics of the markets that the company operates in. Every individual Board member contributes the appropriate knowledge, skills, resources, objectivity and experience as required by the company. The Board has determined that its size, diversity and demographics make it an effective Board. The Board believes that diversity not only applies to academic qualifications, technical expertise, relevant industry knowledge and experience but also to nationality, age, race and gender.

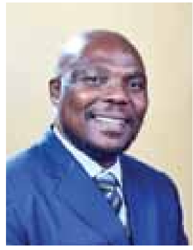
At present, Seed Co International Limited has one female director and the Board continues to recognise the importance of promoting gender at Board level and will endeavour to appoint more female Directors as and when the roles open up. Given the company's size and its long operating history, the Board will not be setting voluntary targets at this point but does and will review this policy on a regular basis and make a conscious effort to drive diversity at a Board level by considering that at the time of the appointment of any future directors.

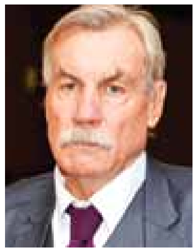
The independence of all Independent Non-Executive Directors is assessed on an annual basis and a specific focus on the independence of independent non-executive directors who have served for more than nine years and the outcome of such assessments will be reported on in future annual reports.

As at year-end 31 March 2019, the Seed Co International Board comprised


DEB Long Independent Non-Executive Chairman

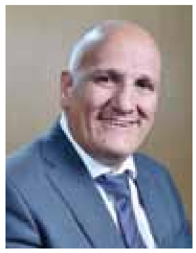

M Nzwere Group CEO Executive Director

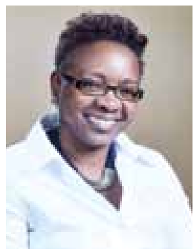

J Matorofa Group CFO Executive Director

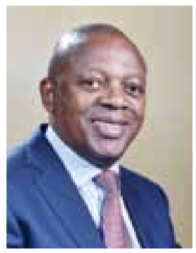

N Armstrong Non-Executive Director

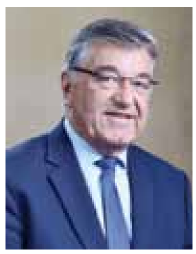

F Azanza Non-Executive Director


AG Barron Non-Executive Director


A Colombo Non-Executive Director


RCD Chitengu Non-Executive Director


P Gowero Non-Executive Director


D Jacquemond Non-Executive Director


C Kabaghe Non-Executive Director


MS Ndoro Non-Executive Director


S Ruwisi Executive Director


F Savin Non-Executive Director

Governance statement.

Directorate Changes

Mr. Antoine Colombo stepped down from the Board as Director of the company following his appointment as CEO of Limagrain Europe.

Chairman

The roles of the Chairman and Chief Executive Officer ("CEO") are separate with the Chairman being independent. The company's Chairman is currently David Long.

The Chairman is appointed on a term of 3 years which can be further renewed for another 3 year term and is responsible for the effective leadership of the Board by fulfilling the role and functions in terms of King IV. The Board has ensured that a proper succession plan for the position of Chairman is in place.

The Chairman sets the ethical tone for the Board and the company and provides overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, while at the same time being aware of the individual fiduciary duties of Board members.

The Chairman actively participates in the selection of new Board members, as well as overseeing the formal succession plan for Board members, the Group CEO and Executive Management.
The Board's annual work plan is formulated by the Chairman, who, in conjunction with the Executive Directors and the Group Company Secretary, sets the agenda for Board meetings while ensuring that Board minutes properly reflect Board deliberations and decisions.

As the major point of contact between the Group CEO and the Board, the Chairman is kept fully informed of the day-to-day matters of interest to Directors and the Board, while maintaining an arm's length relationship.

The Chairman maintains strong relations with the company's major shareholders and its strategic stakeholders in conjunction with the Group CEO and Senior Management team and continues to build and maintain stakeholders' trust and confidence in the company; and presides over shareholder meetings.

Group Chief Executive Officer

The Board has established a framework for delegation of authority and ensured that the role and function of the Group CEO has been formalised, and that the Group CEO's performance is evaluated against specified criteria on an annual basis.

The Group CEO has developed and recommended to the Board a long-term strategy and vision together with the Board's annual business plans and budgets that support this strategy in order to generate satisfactory levels of shareholder value. The Group CEO has established the organisational structure for the company which is necessary to enable execution of its strategy whilst ensuring that the business continues to operate and perform effectively.

In conjunction with the Board, the Group CEO ensures proper succession planning for Executive and Senior Management across the Group and associate companies as well as performance appraisals for Executive and Senior Management.

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. 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
MS Ndoro – Chairman, D Jacquemond and RCD Chitengu

The Primary objective of the Audit and Risk Committee is to assist the Board in discharging its duties relating to the safeguarding of Seed Co International assets, risk management and compliance; the operation of adequate systems, internal controls and processes and preparation of accurate financial reports and statements of compliance with all applicable legal, regulatory, corporate governance and accounting standards. The Committee also enhances the reliability, integrity, objectivity and fair representation of the affairs of Seed Co International and its associate companies.

Governance statement.

Remuneration and Nomination Committee
P Gowero - Chairman, DEB Long and MS Ndoro

The Remuneration and Nomination Committee is responsible, inter alia for establishing formal, transparent procedures for the appointment of Directors, setting out the overarching principles and parameters of the Group wide remuneration policy, recommending to the Board suitable candidates for appointment as Member of the Company's Committees and Chairman of such Committees; consider and approving the remuneration for Executives and Senior Management including the share options; success planning, strategic human resources issues affecting the Group and strategic oversight over the performance of the Group CEO and Executives of the company.

Balance of Power

Seed Co International has a unitary Board, comprising a balance of power, with a majority of Non-Executive Directors.

The Company's Group Executive Directors are involved in the day-today 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 International 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 its Board or Committee meetings.

The Non-Executive Directors are individuals chosen for 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, its Committees and its individual Directors be conducted at least every two years and that every alternate year, the Board schedules an informal opportunity for consideration of, reflection on and discussion of its performance. Formal evaluations of the Committees and the Board will be conducted in the 2019 – 2020 FY.

All committees and the Board's performance were found to be satisfactory.

Summary of the Seed Co International Board Charter

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

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

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

Board Appointments and Rotation

The Board (together with the remuneration and nominations committee) undertakes the role of a Nominations Committee and the selection, appointment and approval of new directors is therefore undertaken by the Board as a whole, in a formal and transparent manner, free from any dominance of any one particular shareholder. Any new appointees are required to possess the necessary skills to contribute meaningfully to Board deliberations and to enhance Board composition in accordance with recommendations, legislation, regulations and best practice.

Governance statement.

The Group Company Secretary assists the Board and ensures that the procedure for the appointment of Directors is properly carried out and all new Directors undergo an induction process prior to them attending their first Board Meeting. Seed Co International has adhered a strict age policy for all its Directors and no Director is appointed for life or for an indefinite period. Any Director appointed during the year, whether filling a vacancy as an additional appointment to the Board, is required to resign and have their appointment approved by Shareholders at the next annual general meeting. At each annual general meeting, one third of the Directors, or if their number is not three or a multiple of three, the number nearest to one third but not less than one third, retires from office, provided also that at least one third of the Non-Executive directors, or if their number is not three or a multiple of three, the nearest to one third, but not less than one third, will retire from office. The appointment of Executive directors shall be terminable by way of a Board resolution. As the Seed Co International Board is a newly constituted Board no Directors will be retired at the Annual General Meeting, however this process will be kickstarted in the 2020 – 2021 financial year.

Access to information

The Board constantly reviews the information requirements of Directors to enable them to act in the best interests of the company, perform their duties and fulfil their fiduciary obligations responsibly. In order to make informed decisions, Directors must have adequate information and facts covering the matter at hand, which is included in a detailed Board pack that is provided well in advance of all meetings on the Diligent system the company is now using.

All Board Members have access to company records, information, documents and property including unfettered access to Executive and Senior management at any time.

Training and Continuing Development of Directors

With the assistance of the Board, the Chairman and the Group Company Secretary ensure that all Directors are appropriately made aware of their fiduciary responsibilities through a tailored induction programme and ensure that a formal programme of continuing professional education is adopted by the Board. The Chairman is also responsible for ensuring the ongoing effectiveness, mentoring and development of the Board and individual directors while the Group Company Secretary sees to the orientation, ongoing training and education of Directors, including assessing the specific training needs of Directors and Executive Directors in their fiduciary and other governance responsibilities.

Directors are provided with regular briefings on changes in risks, regulatory requirements, laws and the environment and are expected to keep abreast of developments in the business environment and markets that may have a material impact on the business.

Member	Board	Audit and Risk Committee	Remuneration Committee
Number of meetings held	4	4	4
DEB Long	4/4		4/4
MS Ndoro	4/4	4/4	
M Nzwere**	4/4	4/4	4/4
AG Barron	4/4		
RCD Chitengu	4/4	4/4	
A Colombo	4/4		
N Armstrong	4/4		
P Gowero	4/4		4/4
D Jacquemond	4/4	4/4	
C Kabaghe	4/4		
J Matorofa**	4/4	4/4*	
S Ruwisi**	4/4	4/4*	
F Azanza	4/4		
F Savin	4/4		

Attended on Invitation * Executive Director**

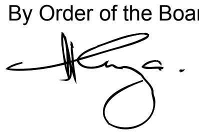
Company Secretary

All Directors have access to the services and advice of the Group Company Secretary – Terrence Chimanya (MSc, LLB (Hons), ACIS) and Company Secretary, Eric Kalaote (ACCA, AAT). The Group Secretary is not a Director of Seed Co International and maintains an arm's length relationship with the Board. The Secretary supports the Board as a whole and Directors individually by providing guidance as to how they fulfil their fiduciary responsibilities as Directors. The Group Secretary also oversees the Board induction and training of new Directors and also carries out the annual Board evaluation exercise in line with King IV. The Board reviews the Company Secretary's performance at least annually and the Board is satisfied that the Company Secretary maintains an arms-length relationship with the Board and is sufficiently qualified and experienced to execute the required duties. The Company Secretary has, in addition to his statutory duties, fulfilled the duties of the Company Secretary as contemplated in King IV. It is the Company Secretary's duty to make all the Directors aware of any law relevant to or affecting the company. The Company Secretary attends all Board and committee meetings as secretary.

Statement of compliance

During the year under review, the Board has considered and satisfied itself that the Company Secretary is competent, has the necessary qualifications and experience to act as Company Secretary, is not a director of the company and has been empowered to fulfil his duties.

By Order of the Board



T.N Chimanya
Company Secretary

Governance statement.

Ethics Performance

Directors' Interests

The Seed Co International Board consists of fourteen (14) Directors, seven of whom are Independent Non-Executive Directors, three Executive Directors and four Non-Independent Executive Directors. The 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 24.1.7 Directors' emoluments in the annual financial statements for further information on Directors' interests.

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 International 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 International 19th Annual General Meeting is available in this report.

Corporate Social Investment.

Seed Co International in the community. A helping hand in times of need.

Intense Tropical Cyclone Idai was one of the worst tropical cyclones on record to affect Africa and the Southern Hemisphere. The long-lived storm caused catastrophic damage in Mozambique, Zimbabwe, and Malawi, leaving more than 1,000 people dead and thousands more missing.

Corporate Social Responsibility

At Seed Co International we are committed to delivering shareholder value while empowering communities across Africa as well as protecting the environment. We believe there is an interdependence between achieving our strategic growth objectives and promoting economic growth in the wider sense. As a business we are focused on building a heritage of good corporate citizenship. We engage in a range of development projects and community relations activities by allocating funding support as well as resources to areas of need across the country. We believe the projects that we were engaged in promote the sustainable welfare within our communities.

Over 60 tonnes of maize donated to victims of cyclone Idai

Seed Co International donated over 60 tonnes of maize meal to victims of the devastating Cyclone Idai in Zimbabwe and Malawi, while its subsidiary Quton chipped in with cooking oil, blankets, matemba and sugar beans.

Of the mealie-meal donation most was allocated to worst hit Chimanimani while the other was destined for the other affected parts of Zimbabwe and Malawi.

Corporate Social Investment.

Seed Co Agronomist educates farmers

Distributor support

Agro-Dealer Network

Sustainable corporate social responsibility. Supporting the farmer to improve the business.

Seed Co Tanzania has taken the initiave to support the farming community through filling in the gap where needed with existing functions of the company.

Agronomy Support

Our Agronomy teams provide end-to-end farmer education that ensures sustainable productivity at farm level in a holistic manner including:

-Soil management and analysis
-Land preparation
-Weed management
-Pest Control and Management
-Post Harvest Management

Seed Co continues to make progress on our sustainability agenda, providing agronomy support. Our Agronomy functions is at the centre of farmer engagement.

Distributor Support

We support the development of sustainable Route-to-Market partnership with third party entrepreneurs by enabling them with Delivery Vans and Management capabilities. This approach ensures end customer connectivity and build sustainable partnership, allowing Seed Co brands to reach and access end customers in remote geographies.

Agro-Dealer Network Development

We support the development of a trade network by supporting and investing in Small Agro Dealers to manage busineses based on best practises and proven operating processes. Such development efforts are critical to our success. Our Agro Dealer network is responsible for selling and delivering our products to end farmer. In addition the Agro-Dealer network, as a Farmer Facing Platform remain critical in disseminating Product knowledge.

Extending our market reach and strengthening the brand.

We are expanding our marketing initiatives to reach out to more dealers and farmers. We have over 15,000 direct and indirect distributors in our network. Our highly motivated marketing professionals on a pan - African basis drive our marketing momentum across the continent.

Initiatives to strengthen the confidence and trust of farmers on our brand.

- Our promoters educate farmers about our products and agronomy practices to be followed in specific geographies.
- We engage in several BTL = Below The Line = sponsorship events etc and ATL = Above The Line = things like tv radio advertising etc.
- We are expanding our footprint in West African markets.
- We conduct farmer education programmes across geographies and make them aware of our new and high-yielding products. We engage with them and introduce them to our wide product portfolio. We impart them knowledge on best- in-class farming techniques.
- Distributor meetings at regional levels are organised every year, where we share our business plans with distributors. Additionally, we discuss about ways and means to strengthen the demand of our products and reach a larger consumer segment.
- In the years to come, we expect to expand our African footprint and sales will be increased substantially in the focused countries. We are also planning regional-marketing strategies. At the same time, we are aiming to agressively market new varieties as they are introduced.

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.

Report of the Directors.

Share Capital

The authorised share capital of the company was increased from 1524 ordinary shares to 500 000 000 on 9 August 2018 to facilitate the unbundling exercise and listing of the Seed Co International Group on the Botswana Stock Exchange and Zimbabwe Stock Exchange.

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

Issued and fully paid at 31 March 2018	**1524**
Less share buyback within the Group	**(334)**
Add :Issued during the year:	
Script Issue on 4 September 2018	341 409 289
Private Placement on Listing	37 920 648
Issued and fully paid at 31 March 2019	**379 331 127**

At 31 March 2019, 120 668 873 unissued shares were under the control of the Directors of which 23 672 498 (2018: nil) were committed to the share option scheme as shown below:

Unissued Shares above	120 668 873
Already Committed to unexercised options	4 375 238
Set aside for future options	19 321 637
Balance of uncommitted shares.	**96 996 375**

Share Options

At 31 March 2019 options for a total of 4 375 238 shares had not been exercised or forfeited and the movement is share options is as shown below:

Unexercised options at 31 March 2018	nil
New options granted on unbundling through Dividend in Spec	4 375 238
Less Options forfeited	-
Unexercised options at 31 March 2019	**4 375 238**

Accounting Policies

The consolidated financial statements have been prepared both in accordance with International Financial Reporting Standards (IFRS) and in compliance with provisions of the Companies Act (Chapter 42 :01) and the relevant regulations there-under.

The Group Year's Results

The annexed Financial Statements adequately disclose the results of the Group's operations during the year. They should be read in conjunction with the Chairman's statement and Chief Executive's review of operations, both of which base their comments on the historical cost accounts.

Dividend

The Board proposed a dividend of 0,33 US cents per share payable to shareholders in the register of the company as at 28 June 2019 with shares trading cum-div until 25 June 2019 and ex-div from 26 June 2019 .The dividend is payable in cash.

Capital Expenditure

Group capital expenditure for the year to 31 March 2019 totalled US$4,337,509 (2018: US$5,578,018) Capital expenditure for the year to 31 March 2020 is planned at $7,179 296.

Directorate

Mr. A Colombo stepped down from the Board on the 18th of March 2018 following his appointment as Limagrain Europe CEO.

Risk Management

The Group takes a proactive approach to risk management. The table on page 24 are major risks that we constantly manage that may materially affect our business, financial condition or results of our operations:

At 31 March 2019, the Directors held beneficial interests nil (2018- Nil) shares in the company.

Members will be asked to approve the payment of directors' fees amounting to $119 424 in respect of the year ended 31 March 2019 (31 March 2018 $66 325).

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

For and on behalf of the Directors.

T.N Chimanya

Company Secretary
24 May 2019

Directors' statement of responsibility and approval of the financial statements.

Statement of responsibility

The Board of Directors ("the Board" or "the Directors") of Seed Co International Limited ("the Company") is responsible for the preparation and fair presentation of the consolidated and separate financial statements of the Company and its subsidiaries ("the Group") in accordance with IFRSs. This responsibility includes the maintenance of true and fair financial records.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes the design, implementation, maintenance and monitoring of these systems of internal controls. The Group and the Company maintain such systems which are designed to provide reasonable assurance that the records accurately reflect its transactions and provide protection against serious misuse or loss of the Group's and the Company's assets. Nothing has come to the attention of the Directors to indicate any significant breakdown in the functioning of these systems during the period under review.

The preparation of the financial statements and the process thereto was done under the supervision of Mr. J Matorofa (BICA member no 20180169) and under the guidance of the Directors of the Company, who are vested with the governance and responsibility for these financial statements as is provided for in terms of the common law, Companies Act [Chapter 42:01] and other legislative and regulatory requirements. In preparing the consolidated and separate financial statements, the management is responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so. Having performed such assessment, the management believes that the Group and/or the Company has adequate resources in place to continue in operation for at least up to the end of the next financial year.

The Directors are responsible for overseeing the Group's and Company's financial reporting process.

The consolidated and separate financial statements have been audited by an independent audit firm who reports to the members of the Company, was given unrestricted access to all financial records and related data including minutes of meetings of the Directors and members. The Board believes that all representations made to the independent auditors during their audit were valid and appropriate.

Approval of Group and Company financial statements

Against this background, the Board of Directors accepts responsibility for the Group and Company financial statements on pages 34 to 80, which were approved by the Board, signed on its behalf by the signatories below and simultaneously authorized for issue on 24 May 2019 under a specific authority of the Board.

D.E.B. Long
Chairman

M. Nzwere
Chief Executive Officer

We have a strong R&D base for developing quality vegetable hybrids.

Seed Co has a comprehensive portfolio of high-quality vegetable hybrids. We have a large collections of vegetable germplasm and continue to invest in research and development initiatives to strengthen our portfolio.

Our future priorities in the vegetable business comprise

- Continue work with HM Clause to Improve customer experience and to grow market share.
- Increasing investment in R&D to develop products as per the changing needs of farmers.
- Enhancing footprint in markets where our presence is low currently.
- Diversifying our risk by developing the vegetable business and foraying into international markets.
- Creating appropriate framework to achieve targeted goals in all the areas.
- Developing talent in the business to support growth.
- Wider acceptance of key vegetable products in the marketplace, leading to a significant increase in revenue.
- Market-oriented and need-focused breeding programmes, resulting in highly successful product portfolio.
- Access to a wide range of products owing to the well-established R&D set-up.
- Producing high-value premium hybrids vegetable crops.
- High brand presence across product segments in the farming community.

Building a better
working world

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Partnership registered in Botswana
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VAT No: P03625401112
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Independent Auditor's Report
To the Shareholders of Seed Co International Limited
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Seed Co International Limited (the Group) set out on pages 34 to 80, which comprise the consolidated and separate statements of financial position as at 31 March 2019, and the consolidated and separate income statements, statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Seed Co International Limited as at 31 March 2019, and of its consolidated and separate financial performance and of its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act (CAP 42:01).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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Key Audit Matter	How the matter was addressed in the audit
Impairment of trade and other receivables (Consolidated and Separate financial statements) At 31 March 2019, the Group and Company recognised net trade and other receivables of USD31.3 million and USD2.5 million respectively, net of allowances for impairment of USD13.6 million and USD5.7 million respectively. On 1 April 2018, the Group and Company adopted IFRS 9: Financial Instruments which measures the allowance for impairment using an expected credit loss (ECL) model as opposed to the incurred credit loss basis previously applied by the Group and Company. The application of the new standard requires management to exercise significant judgement in the determination of expected credit losses, including those relating to trade and other receivables. Management applies significant judgment in the determination of estimated future cash flows, probabilities of default and forward looking economic expectations. Due to the significance of trade and other receivables and the significant estimates and judgement involved due to the first-time adoption of the IFRS 9 requirements through the application of ECL modelling, the allowance for impairment of these trade and other receivables was considered to be a key audit matter. Disclosures with respect to the application of IFRS 9 in determining the allowance for ECLs are disclosed in • Note 2.3 "Summary of significant accounting policies" • Note 2.4 "Changes in accounting policies and disclosures" • Note 3 "Significant accounting judgments, estimates and assumptions" • Note 13 "Trade and other receivables" • Note 26 "Financial Instruments"	We performed the following audit procedures, among others: ➢ We obtained an understanding of management's processes over credit origination, credit monitoring and credit remediation; ➢ We assessed the appropriateness of the accounting policies and impairment methodologies applied by comparing these to the requirements of IFRS 9: Financial Instruments; ➢ We critically assessed the ECL models developed by management. This included using our internal experts in our assessment of key judgements and assumptions applied in the calculation of allowances for impairment; ➢ We tested the mathematical accuracy of the models used by management; ➢ We assessed the reasonableness of forward-looking information incorporated into the credit loss calculations considering the multiple economic scenarios selected and the weighting applied to each scenario; ➢ We challenged the parameters and significant assumptions applied in the calculation models; ➢ We also assessed the adequacy of the disclosures regarding the allowance for impairment of trade and other receivables in the consolidated and separate financial statements to determine whether they were in accordance with IFRS.

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Key Audit Matter	How the matter was addressed in the audit
Inventory valuation (Consolidated and Separate financial statements) At 31 March 2019, the Group and Company had Inventory balances amounting to USD16.9 million and USD1 million respectively on the statement of financial position, comprising of parent and commercial seed, spares and general consumables. The subsidiaries in the group are seed processing entities therefore, inventory may be incorrectly valued as a result of: • The incorrect absorption of processing costs used in the stock valuation. The inventory valuation involves the use of the average cost and job costing models. The job costing model uses large volumes of information to determine the allocation of costs to processed inventory. The determination of value requires management to make assumptions on the allocation bases used. • As the parent and commercial seed may lose its germination ability if it is not well maintained, there is risk that non-germinating seed may not be written down to its actual value at year end. The valuation of inventory as disclosed on Note 11 was significant to our audit due to significant effort devoted in assessing the elements included in the costing models. Disclosures with respect to inventory valuation are disclosed in • Note 2.3 "Summary of significant accounting policies" • Note 11 "Inventories"	We performed the following audit procedures, among others: ➢ We reviewed the inventory valuation to confirm that the costs have been accounted for in accordance with the Group policy and the International Accounting Standard (IAS 2) on inventories; ➢ We attended the inventory counts at year end, inspecting the warehouses for any damaged inventory; ➢ We obtained and assessed the inspectorate reports on germination test results to confirm that the related inventory products were still saleable; ➢ We assessed the reasonableness of management's provision for identifying inventory that is considered for possible write-off; ➢ We also assessed the adequacy of the disclosures regarding inventory in the consolidated and separate financial statements to determine whether they were in accordance with IFRS.

Other Information

The directors are responsible for the other information. The other information comprises the Director's Report as required by the Companies Act (CAP 42:01), which we obtained prior to the date of this report, and the annual report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the integrated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act (CAP 42:01), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and Company's financial reporting processes.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and company'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 and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 and company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group and company audit. We remain solely responsible for our audit opinion.

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

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

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

Ernst & Young
Practicing member: Thomas Chitambo
Partner
Certified Auditor
Membership number: 20030022
Gaborone

11 June 2019

Consolidated and Company Income Statements

		GROUP		COMPANY	
		2019	2018	2019	2018
	Note	US$	US$	US$	US$
Revenue from contracts with customers	33	**60 136 380**	**64 380 146**	**1 835 175**	1 748 419
Cost of sales	11.2	(30 255 451)	(31 697 439)	(1 508 321)	(1 303 853)
Gross profit		**29 880 929**	**32 682 707**	**326 854**	**444 566**
Other income	4.1	4 488 537	1 602 608	13 898 857	6 930 135
Operating expenses	4.2	**(27 326 009)**	**(26 921 752)**	**(5 263 611)**	**(5 697 602)**
Selling and distribution costs		(7 242 680)	(8 731 246)	(56 900)	(25 485)
Administrative costs		(14 702 669)	(12 234 825)	(4 656 513)	(4 351 913)
Research costs		(3 636 565)	(3 476 374)	(250 198)	(115 646)
Impairment	13.2	(1 744 095)	(2 479 307)	(300 000)	(1 204 558)
Operating profit		**7 043 457**	**7 363 563**	**8 962 100**	**1 677 099**
Finance income	4.3	783 735	554 190	1 439 671	883 681
Finance costs	4.4	(2 588 011)	(2 631 459)	(2 221 598)	(1 451 996)
Share of loss from associates and joint venture	10.2 & 10.7	(85 041)	(10 874)	(136 579)	-
Profit before tax		**5 154 140**	**5 275 420**	**8 043 594**	**1 108 784**
Income tax expense	5.1	(1 375 906)	(784 131)	-	-
Profit for the year		**3 778 234**	**4 491 289**	**8 043 594**	**1 108 784**
Attributable to:					
Equity holders of the parent		3 778 030	4 488 446	8 043 594	1 108 784
Non-controlling interests		204	2 843	-	-
		3 778 234	**4 491 289**	**8 043 594**	**1 108 784**
Earnings per share					
Basic earnings per share - cents	6	1.75	294,517.45		
Diluted earnings per share - cents	6	1.74	294,517.45		

Consolidated and Company Statements of Other Comprehensive Income

		GROUP		COMPANY	
		2019	2018	2019	2018
		US$	US$	US$	US$
Profit for the year		3 778 234	4 491 289	8 043 594	1 108 784
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss (net of tax):					
Exchange differences on translation of foreign operations		(14 909 043)	1 144 081	-	-
Share of other comprehensive loss of a joint venture	10.2	(28 350)	(10 321)	-	-
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		**(14 937 393)**	**1 133 760**	**-**	**-**
Items that may not be reclassified to profit or loss in subsequent periods (net of tax):					
Revaluation of property, plant and equipment	8	168 807	3 478 228		
Deferred tax on revaluation of property, plant and equipment	5.4	(34 027)	(347 823)		
Net other comprehensive income that may not be reclassified to profit or loss in subsequent periods		**134 780**	**3 130 405**	**-**	**-**
Other comprehensive (loss)/income for the year, net of tax		**(14 802 613)**	**4 264 165**	**-**	**-**
Total comprehensive (loss)/income for the year		**(11 024 379)**	**8 755 454**	**8 043 594**	**1 108 784**
Attributable to:					
Equity holders of the parent		(11 024 583)	8 762 932	8 043 594	1 108 784
Non-controlling interests		204	(7 478)	-	-
		(11 024 379)	**8 755 454**	**8 043 594**	**1 108 784**

Consolidated and Company Statements of Financial Position

AS AT 31 MARCH 2019

	Note	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
ASSETS					
Non-current assets					
Property, plant and equipment (PPE)	8	38,473,312	41,850,963	804,525	935,374
Investments in subsidiaries	9	-	-	33,362,892	28,624,031
Investment in associates and joint venture	10.2	1,030,437	1,143,828	1,028,444	1,165,023
Deferred tax asset	5.3	1,082,612	987,774	-	-
		40,586,361	**43,982,565**	**35,195,861**	**30,724,428**
Current assets					
Inventories	11	16,853,937	12,636,140	1,016,774	218,149
Biological assets	12	1,159,873	688,770	-	-
Trade and other receivables	13	31,293,992	33,846,475	2,533,440	3,227,990
Amount due from related entities	14	19,395,753	11,695,982	34,577,532	28,324,538
Other current financial assets	15	295,564	1,304,954	-	-
Cash and cash equivalents	16	24,478,033	16,413,398	15,238,111	3,560,398
		93,477,152	**76,585,719**	**53,365,857**	**35,331,075**
Total assets		**134,063,513**	**120,568,284**	**88,561,718**	**66,055,503**
EQUITY AND LIABILITIES					
Equity					
Stated capital	17.2	35,848,041	18,584,875	35,848,041	25,584,875
Share based payments reserve	30	330,704	-	330,704	-
Asset revaluation reserve		13,412,621	13,792,135	129,902	129,902
Foreign currency translation reserve		(37,525,498)	(22,588,105)	-	-
Retained earnings		69,967,873	70,417,753	9,161,336	1,918,527
Equity attributable to equity holders of the parent		**82,033,741**	**80,206,658**	**45,469,983**	**27,633,304**
Non-controlling interests		700,241	65,057	-	-
Total equity		**82,733,982**	**80,271,715**	**45,469,983**	**27,633,304**
Non-current liabilities					
Long-term borrowings	20	2,333,333	-	2,333,333	-
Deferred tax liability	5.4	1,835,510	2,040,148	19,358	19,358
		4,168,843	**2,040,148**	**2,352,691**	**19,358**
Current liabilities					
Trade and other payables	18	6,851,874	4,467,858	403,706	164,194
Amount due to related entities	19	5,337,358	3,381,282	11,142,039	9,172,159
Short-term borrowings	20	33,303,685	29,191,141	28,464,055	28,940,192
Income tax payable		25,215	8,989	-	-
Provisions	21	1,642,556	1,207,151	729,244	126,296
		47,160,688	**38,256,421**	**40,739,044**	**38,402,841**
Total liabilities		**51,329,531**	**40,296,569**	**43,091,735**	**38,422,199**
Total equity and liabilities		**134,063,513**	**120,568,284**	**88,561,718**	**66,055,503**

Consolidated and Company Statements of Cash Flows

		GROUP		COMPANY	
		2019	2018	2019	2018
Operating activities	**Note**	**US$**	**US$**	**US$**	**US$**
Profit before tax		5,154,140	5,275,420	8,043,594	1,108,784
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of PPE	8	2,740,213	2,463,716	139,283	101,684
(Profit)/loss on disposal of PPE	4.1	(76,155)	(21,297)	3,211	1,391
Share based payment	30	330,704	-	330,704	-
Unrealised exchange gains		(3,737,113)	(278,701)	-	(17,136)
Share of loss from associate	10.2	85,041	10,874	-	-
Impairment/(Reversals)	4.2&13.2	1,744,095	2,479,307	(373,698)	1,204,558
Dividend income	4.1	-	-	(11,130,651)	(4,470,257)
Finance income	4.3	(783,735)	(554,190)	(1,439,671)	(883,681)
Finance cost	4.4	2,588,011	2,631,459	2,221,598	1,451,996
Operating cash flows before working capital changes		**8,045,201**	**12,006,588**	**(2,205,630)**	**(1,502,661)**
Working capital adjustments:					
(Increase)/decrease in inventories		(5,857,499)	342,234	(798,625)	146,269
Increase in biological assets		(1,250,829)	(476,096)	-	-
(Increase)/decrease in trade and other receivables		(5,763,765)	7,717,143	455,815	299,007
(Increase)/decrease in amounts owed by related entities		(12,351,502)	(3,410,796)	(6,606,073)	29,083,244
Decrease/(increase) in other current financial assets		1,003,205	(1,304,594)	-	(18,415,705)
Increase/(decrease) in trade and other payables		2,157,136	(1,969,512)	(1,788,465)	(53,976)
Increase in amounts owed to related entities		3,767,833	121,771	3,951,880	-
(Decrease)/increase in provisions		(89,482)	(104,430)	456,782	(1,467)
Cash generated from operations		(10,339,702)	12,922,308	(6,534,316)	9,554,711
Income tax paid		(1,083,100)	(2,284,791)	(16,826)	-
Net cash flows (utilised in)/generated from operating activities		**(11,422,802)**	**10,637,517**	**(6,551,142)**	**9,554,711**
Investing activities					
Proceeds from sale of PPE		386,425	269,950	246,665	2,287
Purchase of PPE	8	(4,337,509)	(5,578,018)	(258,312)	(667,904)
Investments in subsidiaries	9.6	-	-	(4,228,584)	(5,506,000)
Investment in joint venture	10.5	-	(1,165,023)	-	(1,165,023)
Dividends received	24.1.2	-	-	11,130,651	4,470,257
Interest received	4.3	783,735	554,190	1,439,671	883,681
Net cash flows (utilised in)/generated from investing activities		**(3,167,349)**	**(5,918,901)**	**8,330,091**	**(1,982,702)**
Financing activities					
Proceeds from issue of share capital net of transaction costs	17.2	17,263,166	-	17,263,166	-
Share buyback	17.2	-	-	(7,000,000)	-
Proceeds from borrowings	20.1	35,988,566	27,500,000	30,797,388	27,500,000
Repayment of borrowings	20.1	(29,191,141)	(35,720,817)	(28,940,192)	(31,127,875)
Capital injection by non-controlling shareholder	9.7	1,333,975	697,006	-	-
Dividend paid		(93,124)	-	-	-
Interest paid	4.4	(2,588,011)	(2,631,459)	(2,221,598)	(1,451,996)
Net cash flows generated from/(utilised in) financing activities		**22,713,431**	**(10,155,270)**	**9,898,764**	**(5,079,871)**
Net increase/(decrease) in cash and cash equivalents		8,123,280	(5,436,654)	11,677,713	2,492,138
Effects of exchange rate changes on cash and cash equivalents		(58,645)	540,537	-	-
Cash and cash equivalents at beginning of year	16	16,413,398	21,309,515	3,560,398	1,068,260
Cash and cash equivalents at end of year	16	**24,478,033**	**16,413,398**	**15,238,111**	**3,560,398**

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2019

		Attributable to the equity holders of the parent							
	Note	Stated capital	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
		US$	US$	US$	US$	US$	US$	US$	US$
As at 31 March 2017		18,584,875	-	10,819,759	(23,732,186)	65,146,807	**70,819,255**	-	**70,819,255**
Profit for the year		-	-	-	-	4,488,446	**4,488,446**	2,843	**4,491,289**
Other comprehensive income		-	-	3,130,405	1,144,081	-	**4,274,486**	(10,321)	**4,264,165**
Total comprehensive income		-	-	3,130,405	1,144,081	4,488,446	**8,762,932**	(7,478)	**8,755,454**
Transferred to non-controlling interest		-	-	-	-	624,471	**624,471**	(624,471)	**-**
Non-controlling equity interest		-	-	-	-	-	**-**	697,006	**697,006**
Realisation of revaluation reserve through use		-	-	(158,029)	-	158,029	**-**	-	**-**
As at 31 March 2018		**18,584,875**	**-**	**13,792,135**	**(22,588,105)**	**70,417,753**	**80,206,658**	**65,057**	**80,271,715**
IFRS 9 transition adjustment	31.2	-	-	-	-	(5,348,075)	**(5,348,075)**		**(5,348,075)**
Restated at 1 April 2018		**18,584,875**	**-**	**13,792,135**	**(22,588,105)**	**65,069,678**	**74,858,583**	**65,057**	**74,923,640**
Profit for the year		-	-	-	-	3,778,030	**3,778,030**	204	**3,778,234**
Other comprehensive income		-	-	134,780	(14,937,393)	-	**(14,802,613)**	-	**(14,802,613)**
Total comprehensive income		-	-	134,780	(14,937,393)	3,778,030	**(11,024,583)**	204	**(11,024,583)**
Issue of share capital net of transaction costs	17.2	17,263,166	-	-	-	-	**17,263,166**	-	**17,263,166**
Share based payments	30	-	330,704	-	-	-	**330,704**	-	**330,704**
Realisation of revaluation reserve through use		-	-	(514,294)	-	514,294	**-**	-	**-**
Dividends		-	-	-	-	(93,124)	**(93,124)**	-	**(93,124)**
Capital injection by non-controlling interest in subsidiary	9.7	-	-	-	-	-	**-**	1,333,975	**1,333,975**
Effect of deemed disposal of shares to non-controlling interest	9.7	-	-	-	-	698,995	**698,995**	(698,995)	**-**
As at 31 March 2019		**35,848,041**	**330,704**	**13,412,621**	**(37,525,498)**	**69,967,873**	**82,033,741**	**700,241**	**82,733,982**

Company Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2019

		Stated capital	Share based payments reserve	Asset revaluation reserve	Foreign currency translation reserve	Retained earnings	Total
		US$		US$	US$	US$	US$
As at 31 March 2017		25,584,875	-	129,902	-	809,743	**26,524,520**
Profit for the year		-	-	-	-	1,108,784	**1,108,784**
Total comprehensive income		-	-	-	-	1,108,784	**1,108,784**
As at 31 March 2018		**25,584,875**	**-**	**129,902**	**-**	**1,918,527**	**27,633,304**
IFRS 9 transition adjustment	31.2	**-**	**-**	**-**	**-**	(800,785)	**(800,785)**
Restated at 1 April 2018		**25,584,875**	**-**	**129,902**	**-**	**1,117,742**	**26,832,519**
Profit for the year		**-**	**-**	**-**	**-**	8,043,594	**8,043,594**
Total comprehensive income		-	-	-	-	8,043,594	**8,043,594**
Issue of share capital net of transaction costs	17.2	17,263,166	-	-	-	-	**17,263,166**
Share buyback	17.2	(7,000,000)	-	-	-	-	**(7,000,000)**
Share based payments	30	-	330,704	-	-	-	**330,704**
As at 31 March 2019		**35,848,041**	**330,704**	**129,902**	**-**	**9,161,336**	**45,469,983**

Nature and purpose of reserves

Share based payment reserve

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

Asset revaluation reserve

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

Foreign currency translation reserve

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

Retained earnings

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

Notes to the Financial Statements

1. Corporate information

Seed Co International Limited is a company which is incorporated and domiciled in Botswana and is listed on the Botswana Stock Exchange, acts as a holding company for a group of companies domiciled in Botswana, Ghana, Kenya, Malawi, Nigeria, Tanzania, Rwanda, South Africa and Zambia whose principal activities are the processing of agricultural seed on a commercial basis.

The consolidated financial statements of Seed Co International Limited for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 24 May 2019.

2. Significant accounting policies

2.1 Basis of preparation

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

The consolidated financial statements are presented in United States Dollars (USD).

The consolidated financial statements provide comparative information in respect of the previous period.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Notes to the Financial Statements cont...

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

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) 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.

c) 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.

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

Notes to the Financial Statements cont...

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 and significant liabilities. 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.

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 8.

e) 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 goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services 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
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of seed provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Notes to the Financial Statements cont...

Rights of return
Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

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. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

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.

f) Taxes
Current Income Tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not on the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Notes to the Financial Statements cont...

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.

g) Foreign currency translation
The Group's consolidated financial statements are presented in United States Dollars (USD), 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 Group's entities 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).

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into United States Dollars (USD) at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing the financial period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

h) 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 Botswana, 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 statement of financial position.

Notes to the Financial Statements cont...

i) Property, plant and equipment

Construction in progress is stated at cost. Such cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, borrowing costs for long-term construction projects if the recognition criteria are met and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

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

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.

j) Leases

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

Group as a lessee

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

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs on the statement of profit or loss.

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

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

Group as a lessor

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

Notes to the Financial Statements cont...

k) 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.

l) Financial instruments
i) IFRS 9

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

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

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

The Group's financial assets at amortised cost includes trade receivables, amounts due from related parties and promissory notes included under other current financial assets. For more information on each of these, refer to notes 13, 14and 15.

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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, 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.

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.

Notes to the Financial Statements cont...

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

Further disclosures relating to impairment of financial assets are also provided in notes 3, 13.2 and 13.4

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 20.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

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

ii) IAS 39
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 loans and receivables.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified as loans and receivables

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income on the statement of profit or loss. The losses arising from impairment are recognised in profit or loss. This category generally applies to trade and other receivables, amounts due from related parties and promissory notes classified under other financial assets. For more information, refer to notes 13, 14 and 15.

Notes to the Financial Statements cont...

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 assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Further disclosures relating to impairment of financial assets are provided in note 13.

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

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

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. Loans, 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, 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, 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 20.

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.

Notes to the Financial Statements cont...

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

m) 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.

n) Biological assets
Biological assets comprise of growing crops. At initial recognition, biological assets are valued at fair value. Fair value of the biological assets is determined by reference to the expected yield on the crops and the prevailing market prices at the reporting date. Consideration is also given to whether the crops will germinate and pass the purity test. On that basis, an indicative value is established using the prevailing local and international market prices for the respective products. Fair value movements of the biological assets are recognized in profit or loss.

o) 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.

p) Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any 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.

Further disclosures relating to impairment of non-financial assets are provided in note 8.2.

Notes to the Financial Statements cont...

q) 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.

r) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

s) 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.

t) 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.

u) Segment reporting
The operating businesses are managed separately according to the country that they operate in, with each segment representing a strategic business unit that operates in the same geographical area. For reporting purposes, the Group has aggregated operating segments into four reportable segments based on geographical location. Refer to note 29 for more information.

Notes to the Financial Statements cont...

2.4 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year with the exception of the application of IFRS 15 and IFRS 9 for the first time.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related Interpretations.

The effect of adopting IFRS 15 is disclosed in note 31.1.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied IFRS 9 using the modified retrospective approach, with an initial application date of 1 April 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

The effect of adopting IFRS 9 is disclosed in note 31.2.

2.5 Standards and interpretations in issue not yet effective

Standards issued but not yet effective up to the date of issuance of the consolidated financial statements are listed below.

This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

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

In December 2016, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

These amendments are not expected to have any impact on the Group.

IFRS 16 Leases

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

Notes to the Financial Statements cont...

The standard will be effective for annual periods beginning on or after 1 January 2019.

The majority of the Group's leases on its rented facilities have less than 12 months' lease period therefore from the Group's assessment the amendments to IFRS 16 are not expected to result in a significant change in the financial results of the majority of the subsidiaries. However, the five-year lease on leased Head Office in South Africa is expected to have the following effect at 1 April 2019:

	Dr (US$)	Cr (US$)
Right-of-use lease asset	500,484	
Retained income	34,940	
Lease liability		535,424

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments which clarifies application of the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances. An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

The Group is currently assessing the potential impact of the amendment to this standard.

Long-term interests in associates and joint ventures - Amendments to IAS 28

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

The Board also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. Entities must apply the amendments retrospectively, with certain exceptions with effect from 1 January 2019. Early application of the amendments is permitted and must be disclosed.

The Group is currently assessing the potential impact of the amendment to this standard.

Conceptual Framework for Financial Reporting

Effective immediately for the IASB and the IFRS IC. For preparers who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework for Financial reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the Standards.

The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, and guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is effective for annual periods beginning on or after 1 January 2020 and the Group will consider the provisions of the new conceptual framework where necessary.

IAS 23 Borrowing Costs- Borrowing costs eligible for capitalisation

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

The Group is currently assessing the potential impact of the amendment to this standard.

Notes to the Financial Statements cont...

3. Significant accounting judgments, estimates and assumptions

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

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

Revaluation of property, plant and equipment

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

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

Refer to note 2.3i and note 7 for more information on the estimates and assumptions used to determine the fair value of property, plant and equipment and note 8 for the carrying amount of property, plant and equipment.

Share based payments

The Group measures the cost of equity-settled transactions with employees by references to the fair value of equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate inputs to the valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The value of the share options granted is determined using the Black Scholes model. Significant inputs and key assumptions used to determine fair value are further disclosed in note 30.

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 5 for more information on taxation.

Biological Assets

The Group measures biological assets which comprise of grower crops at fair value. Refer to note 12 for the carrying amount of biological assets. Significant inputs and key assumptions used to determine fair value are further disclosed in note 7.3 and 12.3.

Provision for expected credit losses of trade receivables and contract assets

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 and contract assets is disclosed in Note 13.

Notes to the Financial Statements cont...

4 INCOME AND EXPENSES

4.1 Other income

		GROUP		COMPANY	
		2019	2018	2019	2018
	Note	US$	US$	US$	US$
Dividends received	24.1.2	-	-	11,130,651	4,470,257
Management fees received	24.1.3	901,404	-	3,303,644	2,240,701
Net exchange gains/(losses)	4.1.1	3,064,406	1,406,400	(753,335)	219,177
Profit/(loss) on disposal of non-current assets		76,155	21,297	(3,211)	-
Sundry income	4.1.2	446,572	174,911	221,108	-
		4,488,537	**1,602,608**	**13,898,857**	**6,930,135**

4.1.1 Exchange gains and losses consist of both realised and unrealised.

4.1.2 Included in sundry income are bad debts recovered, commodity (non-seed) sales and insurance claims compensation

4.2 Operating expenses

Included in operating expenses are

	Note	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
Employee benefits		9,937,884	7,679,635	2,681,917	947,620
Directors' fees	24.1.7	119,424	66,325	119,424	66,325
Depreciation	8	2,740,213	2,463,716	139,283	101,684
Audit fees		391,317	335,988	95,792	74,458
Impairment	13.2	1,744,094	2,479,307	300,000	1,204,558

4.3 Finance income

	Note	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
Interest income from related parties	24.1.6	641,480	192,911	1,418,065	856,676
Interest income from third parties		142,255	361,279	21,606	27,005
		783,735	**554,190**	**1,439,671**	**883,681**

All interest is recognised on an EIR basis

4.4 Finance cost

	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
Interest on borrowings	**2,588,011**	**2,631,459**	**2,221,598**	**1,451,996**

Notes to the Financial Statements cont...

5 INCOME TAX

	Note	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
5.1 The major components of income tax expense are:					
Current income tax		1,209,830	1,686,206	-	-
Deferred tax	5.2	166,076	(902,075)	-	-
		1,375,906	**784,131**	**-**	**-**
5.2 Deferred tax expense/(income) relates to the following:					
Temporary differences		343,954	(20,209)	-	-
Tax losses carried forward	5.3	(177,878)	(881,866)	-	-
		166,076	**(902,075)**	**-**	**-**
5.3 Deferred tax asset reconciliation					
Balance at the beginning of the year		987,774	93,973	-	-
Exchange difference		(67,239)	(109,894)	-	-
Movement due to temporary differences		(15,801)	121,829	-	-
Movement due to origination of tax losses		177,878	881,866	-	-
Balance at the end of the year		**1,082,612**	**987,774**	**-**	**-**

5.3.1 GROUP

Deferred tax assets relate to assessed losses in Seed Co SA (Pty) Ltd and Seed Co Tanzania Limited. Deferred tax assets have been recognized in respect of these losses as they will be used to offset taxable profits in future. Both companies have been tax-paying in the past. The current year losses in South Africa are due to research costs whose commercial benefit takes a long period of time to be realised. Seed Co Tanzania registered a profit in the current year. The Directors are of the opinion that these companies will make taxable profits in the future. Tax losses in South Africa can be carried forward indefinitely as long as the entity carries on trading activities while those in Tanzania expire after 6 years.

5.3.2 COMPANY

Because of the nature of the business of the Company and its status as an International Financial Services Centre (IFSC) Company, its main income which is dividend from its investments does not form part of its taxable income as per IFSC legislation in Botswana. Accordingly the Company has not been making a taxable profit for the last few years and hence the management has ceased to account for a deferred tax asset in respect of such losses as taxable profits may not be generated over the next 5 years by when the losses expire. Tax losses amounted to US$4 325 142 as at 31 March 2019 (2018: US$5 910 438). Deferred tax asset not provided as at 31 March 2019 was US$745 295 (2018: US$886 566).

5.4 Deferred tax liability reconciliation	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
Balance at the beginning of the year	2,040,148	1,032,665	19,358	19,358
Exchange differences	(566,818)	558,040	-	-
Revaluation	34,027	347,823	-	-
Movement due to temporary differences	328,153	101,620	-	-
Balance at the end of the year	**1,835,510**	**2,040,148**	**19,358**	**19,358**

Notes to the Financial Statements cont...

6 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.

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

	GROUP	
	2019	**2018**
	US$	**US$**
Profit attributable to ordinary equity holders of the parent for basic earnings	**3,778,030**	**4,488,446**
Effect of dilution	-	-
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**3,778,030**	**4,488,446**
Weighted average number of ordinary shares for basic EPS	**216,063,400**	**1,524**
Equity settled share appreciation rights with dilutive impact	1,182,475	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**217,245,874**	**1,524**
Earnings per share		
Basic earnings per share - cents	**1.75**	**294,517.45**
Diluted earnings per share - cents	**1.74**	**294,517.45**

6.1 Reconciliation on how the weighted average number of ordinary shares for basic earnings per share is derived is shown below:

	Note	**Date**	**Number of shares**	**Number of days**	**Weighting**
Opening balance		31-Mar-18	1,524	-	1,524
Share buyback	6.1.1	1-Apr-18	(334)	1	(333)
Issued on IPO	6.1.2	4-Sep-18	341,409,289	157	194,556,526
Issued on private placement	6.1.3	5-Sep-18	37,920,648	158	21,505,683
Closing for basic earnings per share		**31-Mar-19**	**379,331,127**	**365**	**216,063,400**

6.1.1. In the prior year, Seed Co Zambia (subsidiary of the Group), held 334 shares (worth US$7m) in the parent Company. These shares were bought back by the parent in the current year. (Refer to note 17).

6.1.2 Following the partial unbundling of Seed Co International from Seed Co Limited, new shares in Seed Co International were issued to the shareholders of Seed Co Limited. This was just prior to Seed Co International's listing on the Botswana Stock Exchange (BSE).

6.1.3 Seed Co International issued shares exclusively to Vilmorin to raise liquid capital for investment projects across the Group.

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

Notes to the Financial Statements cont...

7 FAIR VALUE MEASUREMENT

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

GROUP	Note	Fair value measurement using Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31 March 2019		**US$**	**US$**	**US$**	**US$**
Property, plant and equipment	8				
Land and buildings		29,157,006	-	-	29,157,006
Plant and equipment		4,973,165	-	-	4,973,165
Motor vehicles		3,602,359	-	-	3,602,359
Office furniture and equipment		740,782	-	-	740,782
Biological assets	12				
Crops		1,159,873	-	-	1,159,873
As at 31 March 2018					
Property, plant and equipment	8				
Land and buildings		32,328,053	-	-	32,328,053
Plant and equipment		4,879,111	-	-	4,879,111
Motor vehicles		3,633,976	-	-	3,633,976
Office furniture and equipment		1,009,823	-	-	1,009,823
Biological assets	12				
Crops		688,770	-	-	688,770

There were no transfers between Levels 1, 2 and 3 during the year (2018: nil).

COMPANY					
As at 31 March 2019					
Property, plant and equipment	8				
Land and buildings		290,089	-	-	290,089
Plant and equipment		41,134	-	-	41,134
Motor vehicles		240,997	-	-	240,997
Office furniture and equipment		232,305	-	-	232,305
Biological assets	12				
Crops		-	-	-	-
As at 31 March 2018					
Property, plant and equipment	8				
Land and buildings		296,372	-	-	296,372
Plant and equipment		16,722	-	-	16,722
Motor vehicles		335,719	-	-	335,719
Office furniture and equipment		286,561	-	-	286,561
Biological assets	12				
Crops		-	-	-	-

There were no transfers between Levels 1, 2 and 3 during the year (2018: nil).

7.1 Freehold land and buildings

Fair value was determined using the market comparable method. The valuations were based on proprietary databases of prices of transactions for properties of similar nature, location and condition. Other significant valuation inputs considered were price per square metre, rentals per square metre and the prime yield. Significant increase/decrease in price per sqm and rental per sqm would result in an increase/ decrease in fair value while significant increase/ decrease in prime yield would results in a decrease/increase in fair value.

7.2 Plant and machinery and motor vehicles

Fair value was determined using the cost approach. Valuation inputs considered were cost of replacing the assets adjusted for the age of the asset relative to its estimated useful life. Significant increase/decrease in the cost of replacing the asset would result in an increase/ decrease in fair value.

7.3 Biological assets

Fair value was determined using the market approach. The valuation model is based on the price per tonne of seed multiplied by expected yield. Also taken into consideration is the germination and purity probability of the seed. Significant increase/ decrease in price per tonne in isolation would result in a significantly higher or lower fair value measurement. Significant increase/ decrease in expected yield in isolation would result in a significantly higher or lower fair value measurement.

Notes to the Financial Statements cont...

8 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land and buildings	Plant and machinery	Motor vehicles	Other assets	Total
Cost or valuation	**US$**	**US$**	**US$**	**US$**	**US$**
At 1 April 2017	26,989,266	7,727,007	5,316,932	1,447,282	41,480,487
Additions	1,996,727	925,881	2,000,172	655,238	5,578,018
Revaluation	3,478,228	-	-	-	3,478,228
Disposals	-	(18,680)	(519,930)	(29,464)	(568,074)
Exchange adjustment	1,475,781	(1,228,219)	243,844	54,974	546,380
At 31 March 2018	**33,940,002**	**7,405,989**	**7,041,018**	**2,128,030**	**50,515,039**
Additions	1,228,574	1,117,256	1,822,331	169,348	4,337,509
Revaluation	168,807	-	-	-	168,807
Disposals	(6,793)	-	(797,239)	(3,966)	(807,998)
Exchange adjustment	(4,972,171)	187,649	(794,390)	(142,073)	(5,720,985)
At 31 March 2019	**30,358,419**	**8,710,894**	**7,271,720**	**2,151,339**	**48,492,372**
Depreciation and impairment					
At 1 April 2017	1,089,492	1,890,167	2,693,088	847,034	6,519,781
Depreciation charge for the year	522,457	648,727	1,002,290	290,242	2,463,716
Disposals	-	(12,016)	(288,336)	(19,069)	(319,421)
At 31 March 2018	**1,611,949**	**2,526,878**	**3,407,042**	**1,118,207**	**8,664,076**
Depreciation charge for the year	519,638	760,371	1,173,271	286,933	2,740,213
Disposals	(6,793)	-	(526,525)	(2,261)	(535,579)
Exchange adjustment	(923,381)	450,480	(384,427)	7,678	(849,650)
At 31 March 2019	**1,201,413**	**3,737,729**	**3,669,361**	**1,410,557**	**10,019,060**
Net carrying amount					
At 31 March 2019	**29,157,006**	**4,973,165**	**3,602,359**	**740,782**	**38,473,312**
At 31 March 2018	**32,328,053**	**4,879,111**	**3,633,976**	**1,009,823**	**41,850,963**

COMPANY	Freehold land and buildings	Plant and machinery	Motor vehicles	Other assets	Total
Cost or valuation	**US$**	**US$**	**US$**	**US$**	**US$**
At 1 April 2017	297,000	112,130	241,360	55,772	706,262
Additions	-	16,623	335,417	315,864	667,904
Disposals	-	-	(18,389)	-	(18,389)
Exchange gain	17,136	-	-	-	17,136
At 31 March 2018	**314,136**	**128,753**	**558,388**	**371,636**	**1,372,913**
Additions	-	22,884	225,130	10,298	258,312
Disposals	-	9,440	(318,077)	(11,959)	(320,596)
At 31 March 2019	**314,136**	**161,077**	**465,441**	**369,975**	**1,310,629**
Depreciation and impairment					
At 1 April 2017	11,824	111,342	182,306	45,094	350,566
Depreciation charge for the year	5,940	689	55,074	39,981	101,684
Disposals	-	-	(14,711)	-	(14,711)
At 31 March 2018	**17,764**	**112,031**	**222,669**	**85,075**	**437,539**
Depreciation charge for the year	6,283	7,912	71,317	53,771	139,283
Disposals	-	-	(69,542)	(1,176)	(70,718)
At 31 March 2019	**24,047**	**119,943**	**224,444**	**137,670**	**506,104**
Net carrying amount					
At 31 March 2019	**290,089**	**41,134**	**240,997**	**232,305**	**804,525**
At 31 March 2018	**296,372**	**16,722**	**335,719**	**286,561**	**935,374**

8.1 The Group's and Company's property, plant and equipment are pledged as security to various financial institutions for banking facilities obtained (notes 20.2; 20.3 and 20.4.)

8.2 There was no impairment write down on property, plant and equipment during the year (2018: nil)

8.3 The fair value hierarchy on property, plant and equipment is disclosed in note 7.

8.4 Other assets comprise computer and office equipment.

8.5 The exchange differences under Group arose on the conversion of property, plant and equipment of subsidiaries and is included in the exchange differences on translating foreign operations in other comprehensive income.

8.6 Further information on the transfer of assets to the joint venture is provided in note 24.1.8.

8.7 Had the assets been measured using the cost model, the carrying amount of the assets of the Group and Company would have been US$25,060,691 (2018: US$28,058,828) and US$674,624 (2018: US$805,472) respectively

8.8 Borrowing costs capitalised during the year by the Group amounted to US$92,218 (2018: US$ nil). This relates to the factory and warehouse in Zambia. The capitalisation rate was 6.5%

Notes to the Financial Statements cont...

9 INVESTMENTS IN SUBSIDIARIES

	COMPANY 2019 US$	2018 US$
Seed Co Zambia	9,394,287	9,394,287
Seed Co Malawi	13,293,737	13,293,737
Seed Co Tanzania	1,300,000	1,300,000
Agri-Seed Co Kenya	3,777,000	3,777,000
Seed Co Botswana	510,277	-
Seed Co South Africa	2,575,155	1,127
Seed Co Rwanda	-	-
Agri-Seed Co Nigeria	2,006,436	351,880
African Seed Company Ghana	506,000	506,000
	33,362,892	**28,624,031**

9.1 All these investments are held as unquoted shares at cost.

9.2 Additional details of the Company's subsidiaries are available in note 23.3.

9.3 The subsidiaries operate in an environment where there are presently no restrictions on remittance of dividends. Fair value, when necessary, is established on the basis of net cash flows to be received by the parent company over the medium term, as there is no active market for all these shares.

9.4 Details of amounts due to and from subsidiaries are available in notes 14 and 19.

9.5 All subsidiaries have a financial year end of 31 March and follow uniform accounting policies as that of the Group for like transactions and events in similar circumstances.

9.6 During the year the Company made the following investments in subsidiaries:

	2019 US$	2018 US$
Seed Co South Africa	2,574,028	-
Agri-Seed Co Nigeria	1,654,556	-
Seed Co Malawi	-	5,000,000
African Seed Company Ghana	-	506,000
	4,228,584	**5,506,000**

Investments in Seed Co South Africa and in Agri-Seed Co Nigeria in the current year and in Seed Co Malawi in the prior year were recapitalisation of existing subsidiaries.

On 1 August 2017, the Company made a cash investment of $506,000 for 100% of the voting shares of African Seed Company Ghana Limited, an unlisted company in Ghana specialising in the production and sale of field seeds. The Group invested in Agri Seed Co Ghana because it significantly enlarges the Group's market reach to West Africa. This was a greenfield investment.

9.7 During the year, the Group lost 10% of the voting shares of Agri Seed Co Nigeria, an unlisted subsidiary based in Nigeria to SARO Agro Sciences Limited. This transaction increased SARO's shareholding in Seed Co Nigeria from 30% to 40% and reduced the Group's from 70% to 60% as disclosed in note 23.3. There was no consideration paid by SARO for the additional 10% shareholding. In addition, there was a capital injection into Agri Seed Co Nigeria by both shareholders to recapitalise the business. Below is a schedule of the impact of these transactions on the Group's equity:

	Parent US$	Non-controlling interest US$	Total US$
Opening carrying amount of Agri Seed Co Nigeria net assets		65,057	(1,399,280)
Profit for the year		204	510
Movement in foreign currency translation reserve for the year		-	160,842
Capital injection	1,654,556	1,333,975	2,988,531
Closing carrying amount of Agri Seed Co Nigeria net assets		**1,399,236**	**1,750,603**
Share of carrying amount of Agri Seed Co Nigeria net assets		40%	
Carrying amount of investment in Agri Seed Co Nigeria		700,241	
Difference recognised in equity		**698,995**	

9.8 The Company recorded a reversal of impairment loss of its investment in Seed Co Botswana in the income statement under other income. The reversal of the original impairment loss arose after Seed Co Botswana's return to profitability following some losses in the past. Seed Co Botswana falls under the Southern African Customs Union (SACU) operating segment as explained in note 29.1

Notes to the Financial Statements cont...

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

10.1 Interests in associates and joint venture

The Group has interests in associates and a joint venture as described in notes 23.4 and 23.5 respectively.

10.2 Summarized financial information in respect of the Group's associates and joint venture is set out below. This information represents amounts shown in the associates' and joint venture's financial statements with adjustments for equity accounting purposes

	ASSOCIATES		JOINT VENTURE	GROUP
Group's equity interest	**40%**	**30%**	**51%**	
Summarised income statement	**Quton Seed Malawi**	**Quton Seed Tanzania**	**Prime Seed Co International**	
for the year ended 31 March 2019:	**US$**	**US$**	**US$**	**US$**
Revenue	222,821	1,499,635	1,450,557	
Cost of sales	(254,012)	(654,241)	(973,227)	
Net operating expenses	(178,567)	(510,571)	(656,384)	
Net finance costs	(111,373)	(295,572)	(12,042)	
Income tax	-	-	24,348	
(Loss)/Profit for the year	**(321,131)**	**39,251**	**(166,748)**	
Other comprehensive loss	-	-	(55,588)	
Total comprehensive (loss)/income	**(321,131)**	**39,251**	**(222,336)**	
Group's share of loss for the year	**-**	**-**	**(85,041)**	**(85,041)**
Group's share of other comprehensive (loss)/income for the year	**-**	**-**	**(28,350)**	**(28,350)**
for the year ended 31 March 2018:				
Revenue	151,836	1,553,264	738,707	
Cost of sales	(161,183)	(954,589)	(480,609)	
Net operating expenses	(113,029)	(358,151)	(263,135)	
Net finance costs	-	-	-	
Income tax	-	-	(16 285)	
(Loss)/Profit for the year	**(122 376)**	**240 524**	**(21 322)**	
Other comprehensive loss	-	-	(20 238)	
Total comprehensive (loss)/income	**(122 376)**	**240 524**	**(41 560)**	
Group's share of loss for the year	**-**	**-**	**(10 874)**	**(10,874)**
Group's share of other comprehensive loss for the year	**-**	**-**	**(10 321)**	**(10,321)**

Notes to the Financial Statements cont...

Summarised statement of financial position				
as at 31 March 2019				
Non-current assets	32 532	427 816	320 680	
Current assets	309 537	2 450 878	3 829 355	
Non-current liabilities	-	(4 258 739)	(5 172)	
Current liabilities	(4 554 258)	(1 453 782)	(2 124 398)	
Total equity	**(4 212 189)**	**(2 833 827)**	**2 020 465**	
Group's carrying amount of the investment	**-**	**-**	**1 030 437**	**1,030,437**
as at 31 March 2018				
Non-current assets	10 098	530 986	303 365	
Current assets	414 903	2 615 662	3 096 659	
Non-current liabilities	-	-	(8 953)	
Current liabilities	(4 374 295)	(6 092 958)	(1 148 271)	
Total equity	**(3 949 294)**	**(2 946 310)**	**2 242 800**	
Group's carrying amount of the investment	**-**	**-**	**1 143 828**	**1,143,828**

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

10.4 Share of (loss)/profit from associates

In the current year, the share of (loss)/profit from Quton Malawi and Quton Tanzania respectively were not recognised since the carrying amount of the investments in both associates is nil due to accumulated losses as detailed below:

	Quton Seed Malawi	**Quton Seed Tanzania**
	US$	**US$**
Opening share of accumulated losses not recognised	(1,668,777)	(1,265,105)
Share of comprehensive (loss)/income for the year not recognised	(128,452)	11,775
Closing share of accumulated losses not recognised	**(1,797,229)**	**(1,253,330)**

10.5 Reconciliation of the investments in associates and joint venture	**Quton Seed Malawi**	**Quton Seed Tanzania**	**Prime Seed Co International**	**GROUP**
	US$	**US$**	**US$**	**US$**
At 1 April 2017	-	1,000	-	1,000
Investment in joint venture	-	-	1,165,023	1,165,023
Share of loss from joint venture	-	-	(10,874)	(10,874)
Share of other comprehensive loss from joint venture	-	-	(10,321)	(10,321)
Impairment of investment in associate	-	(1,000)	-	(1,000)
At 31 March 2018	**-**	**-**	**1,143,828**	**1,143,828**
Share of loss from joint venture	-	-	(85,041)	(85,041)
Share of other comprehensive loss from joint venture	-	-	(28,350)	(28,350)
At 31 March 2019	**-**	**-**	**1,030,437**	**1,030,437**

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

10.7 The Company recorded an impairment loss on its investment in the joint venture amounting to $136,759 recorded in the statement of comprehensive income under share of loss from associates and joint ventures. The impairment resulted from the losses the joint venture has been making since inception.

Notes to the Financial Statements cont...

11 INVENTORIES		GROUP		COMPANY	
		2019	2018	2019	2018
	Note	US$	US$	US$	US$
Parent and commercial seed		14 192 440	9 341 506	1 016 774	218 149
Spares and general consumables		2 661 497	3 294 634	-	-
		16 853 937	**12 636 140**	**1 016 774**	**218 149**

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

11.2 Inventory recognized as an expense during the year:					
Opening balance of inventory		12 636 140	12 978 374	218 149	364 418
Purchases/value-addition		34 473 248	32 584 132	2 306 946	1 157 584
Transfers to Prime Seed Co	24.1.8	-	(1 228 927)	-	-
Closing balance of inventory		(16 853 937)	(12 636 140)	(1 016 774)	(218 149)
		30 255 451	**31 697 439**	**1 508 321**	**1 303 853**

11.3 The Group's and Company's inventories are pledged as security for liabilities as stated in notes 20.2 and 20.3

12 BIOLOGICAL ASSETS	GROUP		COMPANY	
	2019	2018	2019	2018
	US$	US$	US$	US$
At 1 April	688,770	212,674	-	-
Increases due to new plantings	1,159,873	688,770	-	-
Fair value adjustment	-	-	-	-
Harvested plants transferred to inventories	(688,770)	(212,674)	-	-
At 31 March	**1,159,873**	**688,770**	**-**	**-**

12.1 The Group’s biological assets comprise of plants not yet harvested that are used to produce parent seeds. The parent seeds are used to produce hybrid seeds which are sold to the market.

12.2 The biological assets have a short life cycle of less than one year and hence are classified as current.

12.3 The group engages independent consultants (agronomists) to determine the estimated yield of seed crops. The finance department then determines the fair value of the biological assets by applying the market price per tonne to the estimated yield. The Group Finance Director reviews the fair value calculated for reasonableness. The fair value determined approximated to cost hence no fair value adjustment was recorded in the current year. The fair value hierarchy is disclosed in note 7.

12.4 There are no biological assets whose title is restricted

12.5 All of the Group's biological assets are pledged as security as stated in note 20.

12.6 The Group did not have any commitments to acquire biological assets as at 31 March 2019 (31 March 2018: Nil).

12.7 The Group employs inspectors who visit the farms where the biological assets are grown fortnightly to ensure that sound agronomic practices are carried out. This reduces the risk of financial loss due to poor agronomic practices.

Notes to the Financial Statements cont...

13 TRADE AND OTHER RECEIVABLES

	Note	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
Gross trade receivables		37,756,921	32,753,849	7,048,423	6,466,382
Allowance for credit losses	13.2	(13,615,510)	(7,538,788)	(5,749,954)	(4,975,416)
Net trade receivables	13.1	**24,141,411**	**25,215,061**	**1,298,469**	**1,490,966**
Prepayments	13.6	2,589,339	2,858,828	889,003	286,788
Seed grower advances	13.7	1,844,192	1,736,214	-	-
Current tax asset		482,864	1,007,202	-	-
Other receivables	13.8	2,236,186	3,029,170	345,968	1,450,236
		31,293,992	**33,846,475**	**2,533,440**	**3,227,990**

13.1 Analysis of trade receivables ageing:

	Note	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
Past due < 60 days		3,596,212	6,193,130	232,829	658,970
Past due 60 days - 90 days		5,436,526	2,208,563	759,764	222,821
Past due > 90 days		11,799,034	16,778,450	281,500	609,175
Past due but not impaired		**20,831,772**	**25,180,143**	**1,274,093**	**1,490,966**
Neither past due nor impaired		3,309,639	34,918	24,376	-
		24,141,411	**25,215,061**	**1,298,469**	**1,490,966**

13.2 Allowance for credit losses reconciliation:

	Note	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
Balance at beginning of the year		7,538,788	5,242,592	4,975,416	3,770,858
Charge for the year through profit or loss		1,744,095	2,479,307	300,000	1,204,558
Charge for the year through equity	31.2	5,632,195	-	800,785	-
Written off		(88,585)	-	(326,247)	-
Recovered during the year		(30,294)	(183,111)	-	-
Exchange differences		(1,180,689)	-	-	-
Balance at the end of the year		**13,615,510**	**7,538,788**	**5,749,954**	**4,975,416**

13.3 The Group's and Company's receivables are pledged as security for liabilities as stated in notes 20.2 and 20.3.

13.4 There was no direct correlation between the gross carrying amount of receivables and the allowance for credit losses as the percentage increase in gross receivables was much smaller than the increase in the allowance for credit losses. The increase in the allowance for credit losses was mainly due to legacy debtors overdue for years which were provided for on adoption of IFRS 9 through equity. The current year income statement charge was in fact lower than last year as the age of receivables not provided for improved.

13.5 The Group's and Company's exposure to credit risks, related to trade receivables is disclosed in note 26.2.

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

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

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

Notes to the Financial Statements cont...

14 AMOUNTS DUE FROM RELATED ENTITIES

	GROUP		COMPANY	
	2019	2018	2019	2018
	US$	US$	US$	US$
Seed Co Limited Zimbabwe	16,968,094	9,919,231	9,436,611	2,871,541
Prime Seed Co Zimbabwe	316,694	292,355	-	7,966
Prime Seed Co International	1,899,507	798,797	611,495	-
Quton Zimbabwe	1,982	59,310	-	-
Quton Malawi	199,596	214,583	-	-
Quton Tanzania	9,880	411,706	-	353,079
Seed Co Zambia	-	-	10,806,881	7,404,574
Seed Co Malawi	-	-	3,951,378	6,890,251
Seed Co Tanzania	-	-	2,656,952	1,724,846
Agri Seed Co Kenya	-	-	4,072,209	2,551,468
Seed Co Botswana	-	-	-	385,411
Seed Co South Africa	-	-	1,321,400	3,545,958
Seed Co Rwanda	-	-	87,385	83,584
Agri Seed Co Nigeria	-	-	696,275	2,505,860
African Seed Company Ghana	-	-	936,946	-
	19,395,753	**11,695,982**	**34,577,532**	**28,324,538**

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

14.2 Additional information on Group companies is provided in note 23.

14.3 In the books of the Company; Quton Malawi and Quton Tanzania balances were fully provided for due to the prolonged default on original credit conditions while $237,662 of the balance due from Agri Seed Co Nigeria was written off during the year

15 OTHER CURRENT FINANCIAL ASSETS

	GROUP		COMPANY	
	2019	2018	2019	2018
	US$	US$	US$	US$
At 1 April	1,304,954	-	-	-
New issues	295,564	1,304,954	-	-
Settled on maturity	(1,304,954)	-	-	-
	295,564	**1,304,954**	**-**	**-**

Other current assets relate to promissory notes which were received as a settlement for amounts owed by Government of Republic of Malawi in respect of seed sales. Prior year promissory notes were fully settled in October 2018 on maturity and the current year promissory notes are expected to be settled in June 2019.

16 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2019	2018	2019	2018
	US$	US$	US$	US$
Cash at banks and on hand	13,904,063	12,895,554	7,140,982	3,560,398
Short-term deposits	10,573,970	3,517,844	8,097,129	-
	24,478,033	**16,413,398**	**15,238,111**	**3,560,398**

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

16.2 Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates, which bear interest ranging between 0% and 3%.

16.3 The Group and Company's cash at bank are pledged as security for the borrowing facilities as described in notes 20.2 and 20.3.

Notes to the Financial Statements cont...

		Note	GROUP		COMPANY	
17	**STATED CAPITAL**		**2019**	**2018**	**2019**	**2018**
17.1	**Issued and fully paid up shares**		**Number**	**Number**	**Number**	**Number**
	At 1 April		1,190	1,524	1,524	1,524
	Shares held within Group		-	(334)	-	-
	Share buyback	6.1	-	-	(334)	-
	Share issues	6.1	379,329,937	-	379,329,937	-
	At 31 March		**379,331,127**	**1,190**	**379,331,127**	**1,524**
17.2	**Issued and fully paid up capital**		**US$**	**US$**	**US$**	**US$**
	At 1 April		18,584,875	25,584,875	25,584,875	25,584,875
	Shares held within Group		-	(7,000,000)	-	-
	Share buyback		-	-	(7,000,000)	-
	Share issues		17,263,166	-	17,263,166	-
	At 31 March		**35,848,041**	**18,584,875**	**35,848,041**	**25,584,875**

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

17.4 The issued shares are at no par value.

17.5 Detail of share movements during the year and the accompanying narratives are provided in note 6.1

18 TRADE AND OTHER PAYABLES	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	US$	**US$**	**US$**	**US$**
Trade payables	5,069,055	2,677,360	177,936	-
Accruals and other creditors	1,782,819	1,790,498	225,770	164,194
	6,851,874	**4,467,858**	**403,706**	**164,194**

18.1 Trade payables are non-interest bearing and are normally settled on 60-day terms.

18.2 Accruals and other creditors are non-interest bearing and have an average term of 90 days.

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

19 AMOUNTS DUE TO RELATED ENTITIES	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
	US$	**US$**	**US$**	**US$**
Seed Co Zimbabwe	5,268,398	3,191,492	3,968,295	2,202,260
Prime Seed Co Zimbabwe	35,102	108,181	-	46,005
Prime Seed Co International	33,858	81,609	-	-
Seed Co Zambia	-	-	5,421,030	6,631,018
Seed Co Botswana	-	-	1,752,714	292,876
	5,337,358	**3,381,282**	**11,142,039**	**9,172,159**

19.1 Amounts owed to Group companies are generally on a short term basis and repayable within six months. Defaults attract interest at 5% per annum.

19.2 Additional information on Group companies is provided in note 23.

Notes to the Financial Statements cont...

20 BORROWINGS

		GROUP		COMPANY	
		2019	2018	2019	2018
	Note	US$	US$	US$	US$
Barclays Bank Botswana	20.2	18,047,388	17,440,192	18,047,388	17,440,192
Stanbic Bank Botswana	20.3	12,750,136	11,500,000	12,750,000	11,500,000
Zanaco	20.4	4,459,494	-	-	-
African Enterprise Challenge Fund	20.5	380,000	250,949	-	-
		35,637,018	**29,191,141**	**30,797,388**	**28,940,192**
Non-current		2,333,333	-	2,333,333	-
Current		33,303,685	29,191,141	28,464,055	28,940,192
		35,637,018	**29,191,141**	**30,797,388**	**28,940,192**

20.1 Borrowings reconciliation:

	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
At 1 April	29,191,141	37,161,009	28,940,192	32,568,067
Proceeds from borrowings	35,988,566	27,500,000	30,797,388	27,500,000
Repayments of borrowings	(29,191,141)	(35,720,817)	(28,940,192)	(31,127,875)
Reallocation from trade and other payables	-	250,949	-	-
Exchange difference	(351,548)	-	-	-
At 31 March	**35,637,018**	**29,191,141**	**30,797,388**	**28,940,192**

20.2 Barclays Bank Botswana facility

The facility from Barclays Bank Botswana Limited ("Barclays") is a Revolving Credit Line Facility up to a limit of US$ 19,000,000 (2018:US$ 19,000,000) to finance the Group's and Company's working capital requirements repayable in 270 to 360 days plus an additional facility of US$ 5,000,000 (2018 US$ 5,000,000) to finance the development of the Kenyan subsidiary's land and buildings which will be paid over 5 years. The facilities bear interest at the rate of 3 months' LIBOR+3,5% p.a. (2018: 3 months' LIBOR+4,5%p.a.), and are secured by freehold land; movable assets; inventories; receivables and guarantees.

The additional facility from Barclays is an Overdraft Facility up to a limit of US$1,000,000 (2017:US$1,000,000) to support staff lending finance for the Group and Company's senior executives. The facility bears interest at the rate of 3 months' LIBOR + 3,5 % p.a. (2018: 3 months' LIBOR + 4,5 % p.a.).

Additional security details for the Barclays facilities are as stated below:

By Seed Co International Limited
- Debenture over movable assets (including stocks and debtors) for US$ 20 million (2018: US$ 20 million) in favour of Barclays.
- Pledge and cession of accounts held with Barclays for US$ 2.5 million (2018': US$2.5million).

By Seed Co Zimbabwe (Pvt) Limited
- A guarantee limited to US$ 25 million in favour of Barclays.

By SCZ International Limited, Zambia
- A corporate guarantee limited to US$ 25 million (2018: US$ 25 million) in favour of Barclays.
- Debenture for US$ 20 million (2018: US$ 20 million) over the movable assets of Seed Co Zambia in favour of Barclays.

By Seed Co Tanzania Limited
- A guarantee limited to US$ 25 million (2018: US$ 25 million) in favour of Barclays.
- Debenture for US$ 5 million (2018: US$ 5 million) over the movable assets of Seed Co Tanzania in favour of Barclays.

By Seed Co (Malawi) Limited
- A guarantee limited to US$ 25 million (2018: US$ 25 million) in favour of Barclays.
- Debenture for US$ 15 million (2018: US$ 15 million) over the movable assets of Seed Co Malawi in favour of Barclays.

Notes to the Financial Statements cont...

By Agri Seed Co Limited, Kenya

- A guarantee limited to US$ 25 million (2018: US$ 25 million) in favour of Barclays.
- First Surety mortgage bond over Plot L.R.Kiminini/Matunda Block 8/Sango No 134, Kitale, Kenya in favour of Barclays.
- Debenture for US$ 10 million (2018: US$ 10 million) over the movable assets of Agri Seedco Kenya in favour of Barclays.

By Seed Co (Pty) Ltd, Botswana

- A guarantee limited to US$ 25 million in favour of Barclays.

Negative pledge

The Company and the above Guarantors shall not, without the prior written consent of the Bank, create or permit to subsist (other than in favour of the Bank) any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect on the whole or any part of its undertaking, property, assets, or revenues, present or future other than with the prior written consent of Barclays.

20.3 Stanbic Bank Botswana facility

The facility from Stanbic Bank Botswana ("Stanbic") is a General Short Term Banking Facility (GSTBF) up to a limit of US$ 16,500,000 (2018:US$ 16,500,000) to finance the Group's and Company's working capital requirements. The GSTBF facility bears interest at the rate of 3 months' LIBOR+3,5%p.a. (2018: 3 months' LIBOR+4,25%p.a.) payable monthly in arrears compounded monthly. The GSTBF facility is repayable in 270 to 360 days. The facility is secured by freehold land; movable assets; inventories; receivables; bank balances and guarantees.

Additional security details for the Stanbic facilities are as stated below:

By Seed Co International Limited

- DoH for BWP 26,6 million (2018: BWP 26,6 million), which approximates US$ 2,78 m (2018: US$ 2,8 m), generally binding all movable assets, which include seed stocks and book debts.
- Unrestricted cession and pledge of stocks and book debts and contract monies due.
- Unrestricted cession and pledge of bills of exchange, promissory notes, post dated cheques and contract monies.
- Unrestricted cession and pledge of US$ call account held with Stanbic
- First continuing mortgage bond for BWP 640 000 (2018: BWP640 000), which approximates US$ 67 000 (2018: US$ 63 000), over Lot 53188, Gaborone
- Cession of insurance over stock with Stanbic's interest noted on the Policy.

By SCZ International Limited, Zambia

- Corporate guarantee by SCZ International Ltd for USD 16.5 million (2018: 16.5 million).
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.
- Assignment of inter company loan granted by the Company to SCZ International Ltd with a limit of US$ 16.5 million (2018: US$ 16.5 million).

By Seed Co Tanzania Limited

- Limited guarantee by Seedco Tanzania Ltd for USD 4.0 million (2018: US$ 4.0 million).
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.
- Assignment of inter company loan granted by the Company to Seedco Tanzania Ltd for US$ 4 million (2018: US$ 4 million).

By Seed Co (Malawi) Limited

- Unlimited suretyship from Seedco (Malawi) Limited in favour of Stanbic.
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.

Notes to the Financial Statements cont...

By Seed Co SA (Pty) Ltd, South Africa

- Unlimited suretyship from Seed Co SA (Pty) Ltd in favour of Stanbic.

By Agri Seed Co Limited, Kenya

- Unrestricted all asset debenture limited to US$ 16.5 million passed by Agri Seed Co Ltd Kenya in favour of Stanbic.
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.
- Novation of intercompany loan granted by the Company to Agri Seed Co Ltd for US$ 16.5 million (2018: US$16.5 million).

By Seed Co (Pty) Ltd, Botswana

- Corporate guarantee by Seed Co (Pty) Ltd for US$ 16.5million (2018:US$16.5 million).
- Unrestricted pledge and cession of contract monies and book debts in favour of Stanbic.
- Unrestricted pledge and cession of US$ Deposit account held by any Standard Bank entity.
- Assignment of intercompany loan granted by the Company to Seed Co (Pty)Ltd for US$ 16.5 million (2018: US$ 16.5 million).

By Seed Co West Africa Limited

- Unlimited suretyship from Seed Co West Africa Ltd in favour of Stanbic.

Unrestricted cession of shareholders' loans, negative pledge

- By all group entities in favour of Stanbic.

20.4 Zanaco facility

The facility from Zanaco is an Overdraft facility limited to ZMK50m and US$500,000 (2018: ZMK nil and US$ nil) to finance Seed Co Zambia's working capital requirements. The facility bears interest at 16%p.a and 9%p.a on the ZMK and US$ components respectively. The facility is secured by Seed Co Zambia buildings in Choma, Kachidza, Kitwe and Lusaka. The repayment date for this facility is 31 August 2019.

20.5 African Enterprise Challenge Fund loan

The Group's subsidiary Seed Co Tanzania won an African Enterprise Challenge Fund (AECF) grant which is split 50% repayable term loan and 50% non-repayable grant and received when matching funds have been spent. The term loan is interest free and was repaid in May 2019.

20.6 Undrawn committed borrowing facilities	**GROUP**		**COMPANY**	
	2019	**2018**	**2019**	**2018**
	US$	**US$**	**US$**	**US$**
Total facilities available	45,000,000	40,500,000	40,500,000	40,500,000
Facilities utilised at year end	(35,637,018)	(28,940,192)	(30,797,388)	(28,940,192)
Unutilised borrowing capacity	**9,362,982**	**11,559,808**	**9,702,612**	**11,559,808**

Notes to the Financial Statements cont...

21 PROVISIONS

	Note	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
At 1 April		1,207,151	1,311,581	126,296	127,763
Arising during the year		748,760	1,247,408	692,350	105,122
Utilised during the year		(178,627)	(1,351,838)	(89,402)	(106,589)
Exchange differences		(134,728)	-	-	-
At 31 March		**1,642,556**	**1,207,151**	**729,244**	**126,296**
21.1 Provisions are made up of:					
Severance pay	21.2	102,221	218,698	-	30,476
Leave pay	21.3	468,112	241,850	121,066	44,740
Bonus	21.4	1,072,223	746,603	608,178	51,080
		1,642,556	**1,207,151**	**729,244**	**126,296**
21.2 Severance pay provision reconciliation					
At 1 April		218,698	196,803	30,476	2,389
Arising during the year		36	328,639	-	28,087
Utilised during the year		(79,351)	(306,744)	(30,476)	-
Exchange differences		(37,162)	-	-	-
At 31 March		**102,221**	**218,698**	**-**	**30,476**

The provision is in respect of severance pay or other terminal benefits up to the end of the reporting period in accordance with the conditions of employment or governing laws.

	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
21.3 Leave pay provision reconciliation				
At 1 April	241,850	276,848	44,740	46,771
Arising during the year	254,506	269,908	84,172	-
Utilised during the year	(11,726)	(304,906)	(7,846)	(2,031)
Exchange differences	(16,518)	-	-	-
At 31 March	**468,112**	**241,850**	**121,066**	**44,740**

The provision is in respect of leave accrued up to the end of the reporting period in accordance with the conditions of employment.

	GROUP 2019 US$	GROUP 2018 US$	COMPANY 2019 US$	COMPANY 2018 US$
21.4 Bonus provision reconciliation				
At 1 April	746,603	837,930	51,080	78,603
Arising during the year	494,218	648,861	608,178	77,035
Utilised during the year	(87,550)	(740,188)	(51,080)	(104,558)
Exchange differences	(81,048)	-	-	-
At 31 March	**1,072,223**	**746,603**	**608,178**	**51,080**

The provision is in respect of performance bonus payable to the staff of the Group and Company and is subject to approval by the Remuneration Committee and the Board of Directors.

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

Notes to the Financial Statements cont...

22 DISTRIBUTIONS PROPOSED

	GROUP	
	2019	2018
Proposed dividends on ordinary shares:	US$	US$
Total dividend	1,259,411	-
Dividend per share (cents)	0.33	-

22.1 Proposed dividends on ordinary shares are subject to approval at the annual general meeting to be held before the end of September 2019 and are not recognised as a liability as at 31 March.

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

23 GROUP INFORMATION

23.1 The holding company

Seed Co International Limited is primarily listed on the Botswana Stock Exchange (BSE) and secondarily listed on the Zimbabwe Stock Exchange (ZSE) and has multiple shareholders. There is no individual or entity with ultimate control over Seed Co International Limited.

23.2 Entities with significant influence over the Group

23.2.1 Vilmorin & Cie, domiciled in France, holds 30.98% of the issued ordinary shares in Seed Co International Limited (2018: nil) listed on the BSE.

23.2.2 Seed Co Limited, domiciled in Zimbabwe, holds 27.45% of the ordinary shares in Seed Co International Limited (2018: 78.08%) listed on the ZSE

23.2.3 Seed Co Zambia, domiciled in Zambia, no longer holds any of its unlisted ordinary shares in Seed Co International Limited (2018: 21.92%) after the share buyback by Seed Co International Limited as mentioned in notes 17.1 and 17.2.

23.2.4 A shareholders' agreement exists between Vilmorin & Cie and Seed Co Limited. This agreement governs the co-shareholder relationship between the two as the major shareholders of Seed Co International Limited, in particular as to representation on the Board, and approval of certain material decisions by directors appointed by those shareholders.

23.3 Subsidiaries

The consolidated financial statements of the Group include the results of the following investments in subsidiaries. The investments are accounted for on a cost basis in the Company's separate financial statements and fully eliminated in the consolidated Group financial statements.

			2019	2018
Name	**Principal activities**	**Country of incorporation and principal place of business**	**Group's % of equity interest**	
Seed Co Zambia	Field seeds trade	Zambia	99%	99%
Seed Co Malawi	Field seeds trade	Malawi	100%	100%
Seed Co Tanzania	Field seeds trade	Tanzania	100%	100%
Agri-Seed Co Kenya	Field seeds trade	Kenya	100%	100%
Seed Co Rwanda	Field seeds trade	Rwanda	100%	100%
Agri-Seed Co Nigeria	Field seeds trade	Nigeria	60%	70%
Seed Co South Africa	Field seeds trade	South Africa	100%	100%
Seed Co Botswana	Field seeds trade	Botswana	100%	100%
African Seed Company Ghana	Field seeds trade	Ghana	100%	100%
Seed Co Democratic Republic of Congo (DRC)	Field seeds trade	DRC	100%	100%

23.3.1 The remaining minority shareholding in Agri-Seed Co Nigeria is held by SARO AgroSciences Limited domiciled in Nigeria. Further details in note 28

23.3.2 Seed Co DRC is a wholly owned subsidiary of Seed Co Zambia and is therefore indirectly controlled by Seed Co International Limited.

23.3.3 Field seeds comprise maize, wheat, soybean and sorghum seeds among other field crops.

Notes to the Financial Statements cont...

23.4 Associates

The consolidated financial statements of the Group include the results of the following investments in associates, accounted for under the equity method. The investments are accounted for on a cost basis in the Company's separate financial statements.

			2019	2018
Name	**Principal activities**	**Country of incorporation and principal place of business**	**Group's % of equity interest**	
Quton Seed Malawi	Cotton seed trade	Malawi	40%	40%
Quton Seed Tanzania	Cotton seed trade	Tanzania	30%	30%

23.4.1 The remaining majority shareholding in both Quton Malawi and Quton Tanzania is held by the Maharashtra Hybrid Seed Company (Mahyco) domiciled in India.

23.5 Joint venture

The consolidated financial statements of the Group include the results of the following joint arrangement in which the Group is a joint venturer, accounted for under the equity method. The investments are accounted for on a cost basis in the Company's separate financial statements.

			2019	2018
Name	**Principal activities**	**Country of incorporation and principal place of business**	**Group's % of equity interest**	
Prime Seed Co International	Investment holding	Botswana	51%	51%
Its wholly owned subsidiaries are:			**Prime Seed Co International's equity interest**	
Prime Seed Co Zambia	Vegetable seed trade	Zambia	100%	100%
Prime Seed Co Malawi	Vegetable seed trade	Malawi	100%	100%
Prime Seed Co Tanzania	Vegetable seed trade	Tanzania	100%	100%
Prime Seed Co Kenya	Vegetable seed trade	Kenya	100%	100%

23.5.1 The Group's joint venture partner holding the remaining 49% shareholding is HM Clause domiciled in France.

23.6 Related parties

Related parties comprise the following entities and persons:

23.6.1 Related entities

Name	**Nature of relationship**	**Country of incorporation and principal place of business**
Vilmorin & Cie	Shareholder with significant influence	France
Seed Co Limited	Shareholder with significant influence	Zimbabwe
SARO	Co-shareholder in subsidiary	Nigeria
Mahyco	Co-shareholder in associate companies	India
HM Clause	Joint venture partner	France
All the subsidiaries as mentioned in note 23.3	Subsidiaries	Zambia, Malawi, Tanzania, Kenya, Botswana, South Africa, Rwanda, Nigeria, Ghana and DRC
All the associates as mentioned in note 23.4	Associates	Malawi and Tanzania
Jointly controlled entity and its subsidiaries as mentioned in note 23.5	Joint venture	Botswana, Zambia, Malawi, Tanzania and Kenya
Quton Zimbabwe	Associate of Seed Co Limited jointly owned with Mahyco	Zimbabwe
Prime Seed Co Zimbabwe	Joint venture of Seed Co Limited and HM Clause	Botswana, Zambia, Malawi, Tanzania and Kenya

Notes to the Financial Statements cont...

23.6.2 Related persons

Name	Nature of relationship
N. Armstrong	Non-executive director
F. Azanza	Non-executive director
A. G. Barron	Non-executive director
R. C. D. Chitengu	Non-executive director
A. Colombo	Non-executive director
P. Gowero	Non-executive director
D. Jacquemond	Non-executive director
C. Kabaghe	Non-executive director
D. E. B. Long	Non-executive chairman
J. Matorofa	Group finance director
M. S. Ndoro	Non-executive director
M. Nzwere	Chief executive officer
S. Ruwisi	Executive director
F. Savin	Non-executive director

23.6.3 Related parties' transactions and balances are disclosed in note 24.

24 RELATED PARTIES' TRANSACTIONS AND BALANCES

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

	Note	GROUP		COMPANY	
		2019	2018	2019	2018
24.1 Related party transactions		US$	US$	US$	US$
24.1.1 Purchase of goods					
Seed Co Zambia		**-**	**-**	**1,450,110**	**1,094,056**
24.1.2 Dividend income					
Seed Co Zambia		-	-	9,219,274	2,400,200
Seed Co Malawi		-	-	478,696	-
Seed Co Tanzania		-	-	1,249,343	564,972
Agri-Seed Co Kenya		-	-	183,338	270,000
Seed Co Botswana		-	-	-	968,475
Seed Co South Africa		-	-	-	266,610
		-	**-**	**11,130,651**	**4,470,257**
24.1.3 Management fee income					
Seed Co Limited (Zimbabwe)		719,780	-	719,780	-
Seed Co Zambia		-	-	1,028,947	815,289
Seed Co Malawi		-	-	581,405	581,405
Seed Co Tanzania		-	-	335,636	325,567
Agri-Seed Co Kenya		-	-	217,066	217,066
Seed Co Botswana		-	-	181,781	181,781
Seed Co South Africa		-	-	57,405	57,405
Agri-Seed Co Nigeria		-	-	-	62,188
Vilmorin & Cie		181,624	-	181,624	-
		901,404	**-**	**3,303,644**	**2,240,701**

Notes to the Financial Statements cont...

24.1.4	**Management fee expense**					
	Seed Co Limited (Zimbabwe)		**-**	**2,193,944**	**-**	**2,193,944**
24.1.5	**Research expense**					
	Seed Co Limited (Zimbabwe)		**2,034,050**	**2,034,050**	**18,875**	**18,870**
24.1.6	**Interest income**					
	Seed Co Limited (Zimbabwe)		620,020	154,899	323,656	-
	Prime Seed Co Zimbabwe		-	17,268	-	-
	Prime Seed Co International		12,212	-	12,212	-
	Seed Co Zambia		-	-	610,857	485,933
	Seed Co Malawi		-	-	314,207	238,800
	Seed Co Tanzania		-	-	48,774	22,727
	Agri-Seed Co Kenya		-	-	99,111	88,472
	Related persons		9,248	20,744	9,248	20,744
			641,480	**192,911**	**1,418,065**	**856,676**
24.1.7	**Directors' emoluments**					
	Short term benefits		1,422,668	832,370	1,422,668	604,578
	Directors' fees		119,424	66,325	119,424	66,325
			1,542,092	**898,695**	**1,542,092**	**670,903**

Short term benefits include salaries, bonuses, pension and allowances

The Group and Company also paid a total sum of $22,293 to a legal firm co-owned by one of the directors for services rendered.

24.1.8	**Transfer of goods to joint venture**					
	Inventories at cost		-	1,228,927	-	-
	Property, plant and equipment at net book value		-	138,420	-	-
			-	**1,367,347**	**-**	**-**

Following the setting up of the vegetable seed joint venture in Kenya, Malawi, Tanzania and Zambia under Prime Seed Co International in the previous period; Group companies in those countries transferred their vegetable seed at cost to the joint venture then.

24.1.9	**Sales of goods**					
	Seed Co Limited Zimbabwe		**1,094,610**	**2,400,265**	**-**	**-**
24.2	**Related party balances**					
24.2.1	**Due from related parties**					
	Due from related entities	14	19,395,753	11,695,982	34,577,532	28,324,538
	Due from related persons		391,067	287,277	391,067	287,277
			19,786,820	**11,983,259**	**34,968,599**	**28,611,815**
24.2.2	**Due to related parties**					
	Due to related entities	19	**5,337,358**	**3,381,282**	**11,142,039**	**9,172,159**

Notes to the Financial Statements cont...

25 COMMITMENTS AND CONTINGENCIES

	GROUP		COMPANY	
25.1 Commitments	**2019**	**2018**	**2019**	**2018**
25.1.1 Capital expenditure commitments	**US$**	**US$**	**US$**	**US$**
Approved by the directors but not yet contracted for	**7,179,296**	**7,534,295**	**166,100**	**189,400**

25.1.1 Operating lease commitments

The Group and Company did not have any significant commitments under operating leases as it self-occupies its properties in most jurisdictions. However where such leases exist; they are usually for a period not exceeding twelve months, with rentals escalating in line with inflation on renewal. The Group and Company do not have the option to purchase the leased premises at the end of the lease period where the Group or Company are a lessee. The impact of the adoption of IFRS 16 has been disclosed in the accounting policy notes.

25.1.2 Seed production

The Group, through its subsidiaries in Zambia, Malawi, Tanzania, Kenya and Nigeria, contracts growers to produce seed on its behalf every year. The seed production process takes approximately 6 months. This gives the business the right to obtain the economic benefits from use of the farmer's land earmarked for seed production. The Group compensates the growers on seed delivery as agreed in the contract. Grower contracts are negotiated every year depending on the Group's seed volume requirements. The number and composition of growers varies every year depending on the Group's seed volume requirements and past grower performance. The farmer has the right to convert for his use the portion of land previously used for the Group's seed production upon harvest.

25.2 Contingent liabilities

2019

25.2.1 Tanzania Revenue Authority assessment

As at 31 March 2019 and 31 March 2018, Seed Co Tanzania had unresolved tax assessment on Corporate tax, Withholding tax and Skills and Development Levy (SDL), with possible loss of TZS 1.074billion approximately US$465,439 (2018: US$ 477,000). The subsidiary objected to the assessments and paid the required one third of the assessed amounts as required. The subsidiary has submitted detailed documentation to the revenue authority to support the objections. The 1/3 deposit made in line with the law is reflected in the statement of financial position and classified under trade and other receivables as a prepayment.

25.2.2 Undertaking provided to subsidiaries

As at 31 March 2018, the financial statements of Seed Co SA(Pty) Ltd, Seed Co DRC, Seed Co International Rwanda Limited and Seed Co Nigeria Limited have been prepared on a going concern basis as Seed Co International Limited has pledged financial support that may be required to enable the subsidiaries to pay their liabilities as they fall due, but only to the extent that money is not otherwise available to meet such liabilities. However as the reporting date (31 March 2018), the total assets of the subsidiaries exceeded their total liabilities excluding the debts due to Seed Co International Limited itself) by approximately US$3.4 million, and hence no external contingency arises. Since all the above subsidiaries are in their gestation period or are developing their markets in their regions, which usually takes 3-5 years, they are most likely to turn around and make profits in the forthcoming years.

In the financial year ended 31 March 2019; Seed Co DRC made a profit while Seed Co SA and Seed Co Nigeria were recapitalised through a conversion of their debt to the Company into equity. As mentioned in note 32, a decision was made to wind down operations in Rwanda.

At 31 March 2019, Seed Co International Limited pledged financial support that may be required to enable African Seed Company Ghana Limited to pay their liabilities as they fall due. Since its inception in the previous financial year, African Seed Company Ghana Limited has been making losses.

2018

25.2.3 Malawi Revenue Authority penalty

Following an audit carried out by the Malawi Revenue Authority (MRA) at Seed Co (Malawi) Ltd in 2016/17, a contingent liability of MK 39 million (approx. US$ 54,000) arose in the form of tax penalties. The subsidiary was granted a 50% waiver and has since settled the balance.

25.2.4 As at 31 March 2018, Seed Co Tanzania Limited, has instituted legal proceedings against a former distributor

As at 31 March 2018, Seed Co Tanzania Limited, has instituted legal proceedings against a former distributor in Tanzania for an amount of approximately TZS 1 billion (about US$444,000) being the amount outstanding and remaining unpaid in respect of supply of goods. The case is still in the courts but the subsidiary has now provided for the amount in full.

25.3 Guarantees

25.3.1 Stanbic Bank Botswana provided financial guarantees to Botswana Unified Revenue Service (BURS) for VAT deferral accounts as shown below:

GROUP		COMPANY	
32,498	**47,120**	**32,498**	**10,471**

Notes to the Financial Statements cont...

26 FINANCIAL INSTRUMENTS

The Group's and Company's financial assets comprise of trade receivables (note 13); related party receivables (notes 14 and 24.2.1); government promissory notes (note 15) and cash and short-term deposits (note 16) that arise directly from its operations.

The Group's and Company's financial liabilities comprise of trade payables (note 18); related party payables (notes 19 and 24.2.2) and borrowings (note 20). The main purpose of these financial liabilities is to finance the Group's and Company's operations.

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

26.1 Fair values

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

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

26.2 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:

26.1.1 Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 March in 2019 and 2018.

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 2019 and 2018.
- There is no impact on equity besides the increase/decrease in retained earnings due to change in profit or loss.

26.1.1a 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 most of its borrowings in short term US Dollar based LIBOR linked rate of interest. This rate is generally stable with minimal movements in the rate.

Interest rate sensitivity

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

		GROUP		COMPANY	
		2019	2018	2019	2018
		US$	US$	US$	US$
Decrease in basis points	+50	(178,185)	(328,932)	(153,987)	(181,500)
Increase in basis points	-50	178,185	328,932	153,987	181,500

26.1.1b

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 operates in several countries in Africa and is exposed to foreign exchange risk arising from the volatility of some of the respective local functional currencies primarily against the US Dollar, which is the Group's and Company's presentation currency.

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

Foreign currency rate sensitivity

The table below demonstrates the sensitivity to a reasonably possible change in US dollar exchange rate against the various 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 US$ exchange rate against the respective currencies by the Group Board. The impact on the Group's/Company's profit before tax is due to changes in the value of monetary assets and liabilities induced by exchange rate movements.

Notes to the Financial Statements cont...

The Company is exposed to the fluctuation of the ZAR and BWP against the US$ as some of its monetary assets and liabilities are denominated in those currencies.

		GROUP		COMPANY	
		2019	2018	2019	2018
		US$	US$	US$	US$
Local currencies weakening against US$	-10%	1,632,703	4,224,669	109,440	206,000
Local currencies firming against US$	+10%	(1,632,703)	(4,224,669)	(109,440)	(206,000)

26.2 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 receivables
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by bank guarantees. There was no significant change in the current period on the quality of the bank guarantees in place. No loss allowances are made against bank guaranteed receivables as bank generally make good the outstanding amount within a reasonably short period of time in the rare cases where bank guaranteed customers default. The Group does not hold any collateral. The maximum exposure to credit risk is equal to the carrying amount as per the statement of financial position.

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

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

Generally, trade receivables are written-off if past due for more than 2 years except for intercompany debtors and sovereign Government debt.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are fairly distributed across several jurisdictions as mentioned in note 29.3 Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

GROUP

At 31 March 2019	**Trade receivables**				
		Days past due			
	Current	**< 60 days**	**60 to 90 days**	**> 90 days**	**Total**
Expected credit loss rate	3%	16%	50%	83%	
Estimated total gross carrying amount at default	16,925,149	3,596,212	5,436,526	11,799,034	**37,756,921**
Expected credit loss	528,655	575,394	2,718,263	9,793,198	**13,615,510**

At 31 March 2018	**Trade receivables**				
		Days past due			
	Current	**< 60 days**	**60 to 90 days**	**> 90 days**	**Total**
Expected credit loss rate	0%	0%	0%	45%	
Estimated total gross carrying amount at default	7,573,706	6,193,130	2,208,563	16,778,450	**32,753,849**
Expected credit loss	-	-	-	7,538,788	**7,538,788**

COMPANY

At 31 March 2019	**Trade receivables**				
		Days past due			
	Current	**< 60 days**	**60 to 90 days**	**> 90 days**	**Total**
Expected credit loss rate	0%	0%	0%	95%	
Estimated total gross carrying amount at default	24,376	232,829	759,764	6,031,454	**7,048,423**
Expected credit loss	-	-	-	5,749,954	5,749,954

At 31 March 2018	**Trade receivables**				
		Days past due			
	Current	**< 60 days**	**60 to 90 days**	**> 90 days**	**Total**
Expected credit loss rate	0%	0%	0%	89%	
Estimated total gross carrying amount at default	-	658,970	222,821	5,584,591	**6,466,382**
Expected credit loss	-	-	-	4,975,416	**4,975,416**

Notes to the Financial Statements cont...

Cash and cash equivalents and other financial assets
Credit risk from balances with the government and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Audit Committee on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The maximum exposure to credit risk is equal to the carrying amount as per the statement of financial position. The Group evaluates the concentration of risk with respect to bank deposits as low since the Group's cash and cash equivalents balances are spread across the various banks in the countries the Group's operates in.

26.3 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 table below summarises the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted payments:

The table below summarises the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted payments:

GROUP At 31 March 2019	On demand US$	Less than 3 months US$	3 to 12 months US$	1 to 5 years US$	Total US$
Borrowings	-	380,000	32,923,685	2,333,333	35,637,018
Amounts due to related entities	-	-	5,337,358	-	5,337,358
Trade and other payables	-	6,851,874	-	-	6,851,874
	-	**7,231,874**	**38,261,043**	**2,333,333**	**47,826,250**

At 31 March 2018	On demand US$	Less than 3 months US$	3 to 12 months US$	1 to 5 years US$	Total US$
Borrowings	29,191,141	-	-	-	29,191,141
Amounts due to group companies	-	-	3,381,282	-	3,381,282
Trade and other payables	-	4,467,858	-	-	4,467,858
	29,191,141	**4,467,858**	**3,381,282**	**-**	**37,040,281**

COMPANY At 31 March 2019	On demand US$	Less than 3 months US$	3 to 12 months US$	1 to 5 years US$	Total US$
Borrowings	-	-	28,464,055	2,333,333	30,797,388
Amounts due to group companies	-	-	11,142,039	-	11,142,039
Trade and other payables	-	403,706	-	-	403,706
	-	**403,706**	**39,606,094**	**2,333,333**	**42,343,133**

At 31 March 2018	On demand US$	Less than 3 months US$	3 to 12 months US$	1 to 5 years US$	Total US$
Borrowings	28,940,192	-	-	-	28,940,192
Amounts due to group companies	-	-	9,172,159	-	9,172,159
Trade and other payables	-	164,194	-	-	164,194
	28,940,192	**164,194**	**9,172,159**	**-**	**38,276,545**

The Group and Company ensure timely payments of all loan commitments, which are mainly in the form of bank overdrafts, and are reviewed every 6-12 months. Timely arrangements are made with the banks to review facilities before they expire to avoid default.

The Group and Company are principally funded through centrally arranged facilities through the Company, Seed Co International Limited. As part of its treasury functions, Seed Co International Limited has short-term financing from Stanbic Bank Botswana and Barclays Bank Botswana in place.

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 6 months can be rolled over with existing lenders.

At 31 March 2019, the Group had available US$9,362,982 (2018: US$11,559,808) of undrawn committed borrowing facilities as shown in note 20.6.

Notes to the Financial Statements cont...

27 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes stated capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital 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 the gearing ratio below 50%. The Group's net debt definition comprises loans and borrowings less cash and cash equivalents

	Note	2019 US$	2018 US$
Interest bearing loans and borrowings	20	35,637,018	29,191,141
Less cash and short term deposits	16	(24,478,033)	(16,413,398)
Net debt		**11,158,985**	**12,777,743**
Capital		**82,033,741**	**80,206,658**
Gearing		**14%**	**16%**

28 MATERIAL PARTLY OWNED SUBSIDIARIES

Financial information of the Group's subsidiaries that have material non-controlling interests is provided below:

28.1 Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation	2019	2018
Agri Seed Co Nigeria	Nigeria	40%	30%
		US$	US$
Accumulated balances of material non-controlling interest:		**700,241**	**65,057**
Profit allocated to material non-controlling interest:		204	2,843

28.2 The summarised financial information of Agri Seed Co Nigeria is provided below:

	2019	2018
Summarised income statement		
Revenue	940,874	709,062
Cost of sales	(362,392)	(210,139)
Net operating expenses	(574,770)	(523,849)
Net finance costs	-	-
Income tax	(3,202)	-
Profit for the year	**510**	**(24,926)**
Other comprehensive income	-	-
Total comprehensive income	**510**	**(24,926)**
Attributable to non-controlling interests	204	(7,478)
Dividends paid to non-controlling interests	-	-
Summarised statement of financial position		
Non-current assets	495,359	283,247
Current assets	2,498,278	1,525,752
Non-current liabilities	-	-
Current liabilities	(1,243,033)	(3,208,279)
Total equity	**1,750,604**	**(1,399,280)**
Attributable to:		
Equity holders of the parent	1,050,363	(1,464,347)
Non-controlling interest	700,241	65,067
Summarised cash flow information		
Operating	(2,615,041)	27,499
Investing	(264,090)	(17,722)
Financing	2,988,531	-
Net increase in cash and cash equivalents	**109,400**	**9,777**

Notes to the Financial Statements cont...

29 SEGMENTAL INFORMATION

29.1 Geographical areas

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

Reportable segments	Countries aggregated
Southern African Customs Union (SACU)	Botswana, South Africa and Swaziland
Central Africa	Zambia, DRC and Malawi
East Africa	Tanzania, Kenya and Rwanda
West Africa	Nigeria and Ghana

The Group Executives monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss after tax and is measured consistently with profit or loss after tax in the consolidated financial statements.

The operating segments as stated above have been aggregated to form the above reportable operating segments. The aggregation criteria assists the Group Executives to evaluate the nature and financial effects of the business activities and the economic environments in which it operates. The aggregated operating segments have largely similar products offerings; class of customers and are based in areas of the African continent which have generally similar economic environments and climate conditions.

The reporting segments follow uniform accounting policies and have the same year end. Transactions between reported segments follow the same basis of accounting as those followed within the Group. Transfer prices between operating segments are on an arm's length basis.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.
Inter-segment transactions and balances and unrealized profits between segments are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column below

	Southern African Customs Union	Central Africa	East Africa	West Africa	Adjustments and eliminations	Consolidated
29.1.1 Summarised income statement: US$						
for the year ended 31 March 2019						
Revenue	6,389,023	41,837,757	20,852,401	940,874	(9,883,675)	60,136,380
External	6,389,023	31,974,082	20,832,401	940,874	-	60,136,380
Inter-segmental	-	9,863,675	20,000	-	(9,883,675)	-
Cost of sales	(3,921,659)	(23,123,309)	(12,442,905)	(362,392)	9,594,814	(30,255,451)
Net operating expenses	6,284,511	(9,840,006)	(6,842,785)	(1,168,109)	(11,271,083)	(22,837,472)
Net finance cost	(718,155)	(709,063)	(377,058)	-	-	(1,804,276)
Share of loss from associates and joint ventures	-	-	-	-	(85,041)	(85,041)
Income tax	36,318	(843,787)	(643,988)	(3,202)	78,753	(1,375,906)
Profit/(Loss) for the year	**8,070,038**	**7,321,592**	**545,665**	**(592,829)**	**(11,566,232)**	**3,778,234**
for the year ended 31 March 2018						
Revenue	7,445,947	42,765,430	23,685,865	709,062	(10,226,158)	64,380,146
External	7,445,947	33,736,406	22,488,731	709,062	-	64,380,146
Inter-segmental	-	9,029,024	1,197,134	-	(10,226,158)	-
Cost of sales	(4,334,344)	(23,049,496)	(13,859,378)	(210,139)	9,755,918	(31,697,439)
Net operating expenses	(4,644,013)	(11,789,354)	(6,763,411)	(810,953)	(1,311,413)	(25,319,144)
Net finance cost	3,005,780	(1,668,965)	(56,917)	-	(3,357,167)	(2,077,269)
Share of loss from associates and joint ventures	-	-	-	-	(10,874)	(10,874)
Income tax	(56,768)	(376,137)	(473,055)	-	121,829	(784,131)
Profit/(Loss) for the year	**1,416,602**	**5,881,478**	**2,533,104**	**(312,030)**	**(5,027,865)**	**4,491,289**
29.1.2 Summarised statement of financial position:						
At 31 March 2019						
Non-current assets	36,858,260	30,474,798	5,736,125	681,735	(33,164,557)	40,586,361
Current assets	58,910,017	51,148,909	21,340,303	2,639,652	(40,561,729)	93,477,152
Non-current liabilities	(2,385,905)	(1,585,687)	(197,251)	-	-	(4,168,843)
Current liabilities	(42,455,799)	(25,913,241)	(19,792,922)	(2,226,715)	43,227,989	(47,160,688)
Equity	**50,926,573**	**54,124,779**	**7,086,255**	**1,094,672**	**(30,498,297)**	**82,733,982**
At 31 March 2018						
Non-current assets	32,261,857	37,605,993	6,094,887	412,490	(32,392,662)	43,982,565
Current assets	41,749,391	53,554,903	20,277,608	1,615,406	(40,611,589)	76,585,719
Non-current liabilities	(21,919)	(1,818,758)	(450,420)	-	250,949	(2,040,148)
Current liabilities	(43,021,198)	(19,310,719)	(13,003,631)	(3,208,279)	40,287,406	(38,256,421)
Equity	**30,968,131**	**70,031,419**	**12,918,444**	**(1,180,383)**	**(32,465,896)**	**80,271,715**

29.2 Products

The Group revenues from external customers for each product are shown in note 33.1

29.3 Customers

The Group's customers are located in several jurisdictions which are largely independent markets therefore its customer base is reasonably dispersed without one single customer individually contributing to a significant portion of the Group's total sales

Notes to the Financial Statements cont...

30 SHARE BASED PAYMENTS

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

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

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

The carrying amount of the share based payment reserve relating to the share options at 31 March 2019 was US$ 330,704 (2018: US$ nil). No share options had vested at 31 December 2019 and 2018, respectively.

The expense recognised for employee services received during the year was US$ 330,704 (2018: US$ nil).

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

	2019		2018	
	Number	**WAEP (US$)**	**Number**	**WAEP (US$)**
Outstanding at 1 April	**-**	**-**	**-**	**-**
Granted during the year	4,375,238	0.42	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 March	**4,375,238**	**0.42**	**-**	**-**
Exercisable at 31 March	-	-	-	-

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

	2019	**2018**
Weighted average fair values at the measurement date	0.56	-
Dividend yield (%)	2.74%	0%
Expected volatility (%)	29%	0%
Risk–free interest rate (%)	4.45%	0%
Expected life of SARs (years)	3.03	0.00
Weighted average share price (US$)	0.57	0.00

31 EFFECT OF ADOPTING NEW STANDARDS

31.1 EFFECT OF ADOPTING IFRS 15

The adoption of IFRS 15 did not have a material impact on the Group's and Company's profit or loss, other comprehensive income or the operating, investing and financing cash flows.

31.2 EFFECT OF ADOPTING IFRS 9

The effect the adjustments of adopting IFRS 9 as at 1 April 2018 was, as follows:

	GROUP	**COMPANY**
	2019	**2019**
	US$	**US$**
Assets		
Trade receivables	(5,632,195)	(800,785)
Deferred tax asset	284,120	-
Total assets	**(5,348,075)**	**(800,785)**
Equity		
Retained earnings	(5,348,075)	(800,785)
Total equity and liabilities	**(5,348,075)**	**(800,785)**

Notes to the Financial Statements cont...

31.2.1 Classification and measurement

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Group. The Group continued measuring at amortised cost all financial assets previously held at amortised cost under IAS 39.

31.2.2 Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon adoption of IFRS 9 the Group recognised additional impairment on the Group's trade receivables of US$5,632,195 which resulted in a decrease in retained earnings of US$5,348,075 as at 1 April 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9.

	Allowance for impairment under IAS 39 as at 31 March 2018	Remeasurement 2018	ECL under IFRS 9 as at 1 April
	US$	US$	US$
Loans and receivables under IAS 39/Financial assets at amortised cost under IFRS 9 and contract assets	(7,538,788)	(5,632,195)	(13,170,983)

31.2.3 Other adjustments

In addition to the adjustments described above, other items such as deferred taxes were adjusted to retained earnings as necessary upon adoption of IFRS 9 as at 1 April 2018.

32 EVENTS AFTER THE REPORTING DATE

32.1 Alliance Seed (Pty) Ltd acquisition

The Group's joint venture Prime Seed Co International acquired an 80% shareholding in a South African vegetable seed company Alliance Seed (Proprietary) Limited in April 2019 for R18m (approximately US$ 1.2m).

32.2 Winding down Seed Co Rwanda operations

In March 2019, the directors of the Group made a decision to wind down the operations of Seed Co Rwanda

however maintain its bank account to receive any settlements of outstanding balances from customers. These balances have been fully allowed for under IFRS 9.

32.3 Dividend

The Board approved a dividend of US 0.33 cents per share to be paid in July 2019 as stated in note 22.1 into a dormant company on completion of the audit for the year ended 31 March 2019. The subsidiary will In terms of the Botswana Income Tax Act (Cap 50:01) as amended, withholding tax at the rate of 7.5% or any other currently enacted tax, will be deducted from the final gross dividend for the year ended 31 March 2019, where applicable.

Notes to the Financial Statements cont...

33 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	GROUP		COMPANY	
		2019	2018	2019	2018
33.1 Product		US$	US$	US$	US$
Maize seed		49,400,017	55,597,354	1,835,175	1,748,419
Soybean seed		5,604,602	4,129,044	-	-
Wheat seed		1,283,467	1,385,003	-	-
Sorghum seed		1,878,085	749,208	-	-
Other seeds		1,970,209	2,519,537	-	-
		60,136,380	**64,380,146**	**1,835,175**	**1,748,419**
33.2 Geographic markets	29.1.1				
Southern African Customs Union (SACU)		6,389,023	7,445,947	1,835,175	1,748,419
Central Africa		31,974,082	33,736,406	-	-
East Africa		20,832,401	22,488,731	-	-
West Africa		940,874	709,062	-	-
		60,136,380	**64,380,146**	**1,835,175**	**1,748,419**
33.3 Timing of revenue recognition					
Goods transferred at a point in time		60,136,380	64,380,146	1,835,175	1,748,419
Services transferred over time		-	-	-	-
		60,136,380	**64,380,146**	**1,835,175**	**1,748,419**

33.4 The Group and Company do not have any contract assets

33.5 The Group's performance obligation is satisfied upon seed delivery to or collection by customers and payment is generally due within 30 to 90 days from delivery or collection.

Notice to Shareholders

Notice is hereby given that the **19th Annual General Meeting** of Members of Seed Co International Limited **("the Company")** will be held in the Avani Gaborone Resort & Casino, Chuma Drive, Gaborone, Botswana on Friday 9th of August 2019, at 12:00 hours. Members will be asked to consider, and if deemed fit, to pass with or without modification, the resolutions 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 2019.

2. Appointment of Directors
To note the resignation of Mr A Colombo from the Board on the 18th of March 2019.

3. Approval of Directors' fees
Approval of Directors' fees for the year ended 31 March 2019.

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

5. Dividend
To ratify the dividend of 0.33 cents per share payable in cash only.

SPECIAL BUSINESS
Borrowing Powers
To approve, in terms of Article 26 of the Company's Constitution, the Borrowing Powers of Directors specifically that the principal amount of external borrowings, including guarantees or suretyships, for the Company and its subsidiary companies taken together from time to time, notwithstanding monies already borrowed by the Company and its subsidiaries, may not exceed twice the aggregate of the paid-up share capital of the Company and its free reserves as set out in the latest consolidated audited statement of financial position of the Company and its subsidiaries.

By Order of the Board

TN Chimanya
Group Secretary

10 July 2019

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 (Chief Executive Officer)
A G Barron
R C D Chitengu
A Colombo
Dr D Garwe
P Gowero
D Jacquemond
C Kabaghe
J Matorofa (Chief Finance Officer)
M S Ndoro
F Ruwende
F Savin

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

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

Strategy Committee
M S Ndoro
A Colombo
D Jacquemond
C Kabaghe

Seed Co Zambia
C Kabaghe (Chairman)
G Bwanali (Managing Director)
F Banda
D Clements
P Francis
D E B Long
J Matorofa
M Nzwere
E Rupende
L Yondela (Finance Director)

Seed Co Malawi
A Barron (Chairman)
R Chirwa
D E B Long
B Luwe (General Manager)
S Malata
J Matorofa
S Mbanda (Finance Director)
M Nzwere

Seed Co Tanzania
J Kabissa (Chairman)
C Kedera
J Matorofa
C Mugadza (Managing Director)
M S Ndoro (Chairman)
M Nzwere
K Sibuga

Seed Co Botswana
N Armstrong (Chairman)
G Bwanali
J Matorofa
M Nzwere
S Ruwisi (General Manager)

Agri Seed Co Kenya
J Kabissa (Chairman)
C Kedera
J Matorofa
M S Ndoro
M Nzwere
W Wasike (General Manager)

Seed Co Ghana
M Nzwere (Chairman)
J Derera
C Fambisayi
E Tembo
J Matorofa
R Mahama

COMPANY SECRETARY
E Kalaote

GROUP EXECUTIVES
J Derera - Research
C Fambisayi - Business Development
C Murandu - Marketing
P Mutandwa - Human Resources
D Ncube - Internal Audit
E Rupende - Production and Processing
S Ruwisi - Treasury
T Chimanya - Legal & Corporate Affairs

AUDITORS
Ernst & Young 2nd Floor Plot 22, Khama Cresent
PO Box 41015
Gaborone
Botswana

TRANSFER SECRETARIES
Corpserve Second Floor, Unit 206 Showgrounds
Close Plot 64516, Fairgrounds
Gaborone
Botswana

REGISTERED OFFICE
Plot 70713
Phakalane
Gaborone
Botswana

SEED CO INTERNATIONAL LIMITED

NINETEENTH ANNUAL GENERAL MEETING
FORM OF PROXY

To be will be held in the Avani Gaborone Resort & Casino, Chuma Drive, Gaborone, Botswana on Friday 9th of August 2019, at 12:00 hours.

I/We ____

of ____

being a member of Seed Co Limited hereby appoint

of ____

or failing him/ her ____

of ____

or failing him/ her, the chairman of the company, or failing him, the chairman of the meeting as my/ our proxy to vote for me/ us on my/ our behalf at the Annual General Meeting of the Company to be held on Friday 9 August 2019 and at any adjournment thereof.

Signed on this ____________________ day of ____________________ 2019

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.

The African Seed Company

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SEED·CO

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